DECEMBER 1992 Vol.2 No.4

Serving The Amusement And Karaoke Industry.

JAPAN AMUSEMENT MONTHLY

J.A.M

TRIPLE FEATURE:

ENADA: Rome, Italy
EELEX: St. Petersburg, Russia
FER: Barcelona, Spain

SPECIAL INTERVIEW SERIES

I. Mr. Naoya Harano, President, Atlus.
II. Mr. Nobuaki Kaji, Vice-President, Chugai Associates

WORLD UPDATE

Spain - Karaoke Por Favor

BACK STAGE

Mr. Toshikazu Yosumi, General Manager, Disc Dept.
Matsushita Electric Industrial Co., Ltd.





JVC *CD+Graphics Changer karaoke System*
KX-GM800



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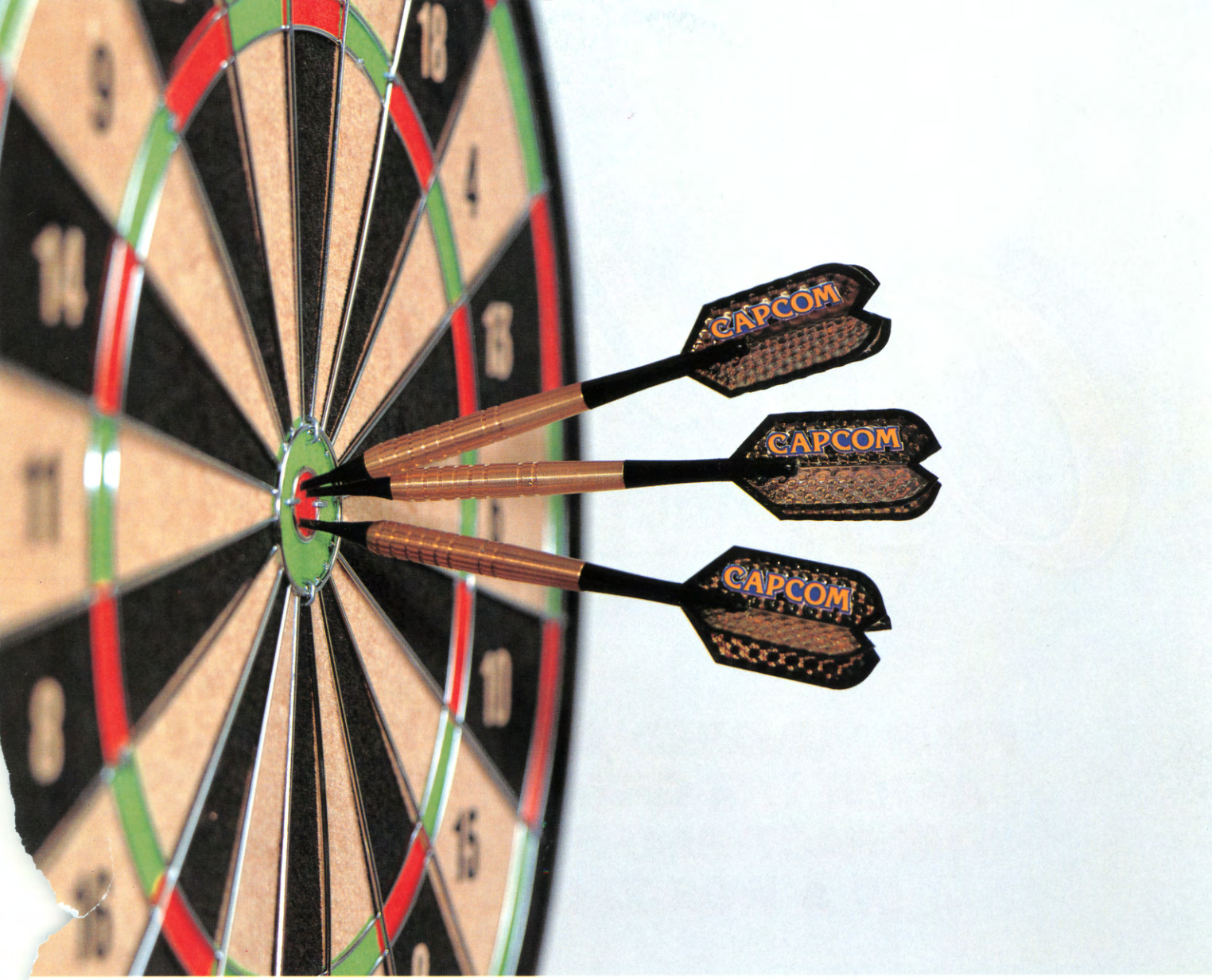


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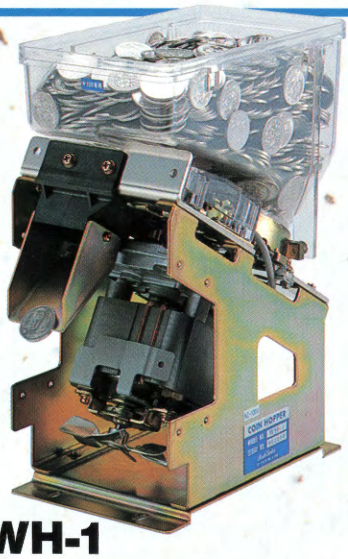
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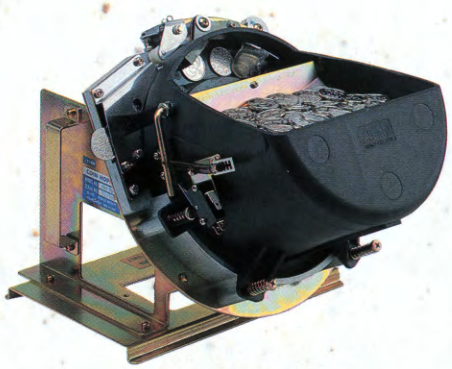
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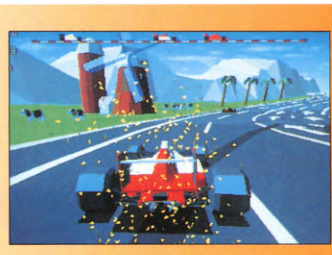
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  - The Deluxe type uses an air drive system which creates the sensation of G-force working sideways.



– DELUXE TYPE –

SPECIFICATIONS			
Outer dimensions	135 cm., 4 ft. 5.15 in. (W) 260 cm., 8 ft. 6.36 in. (D) 176 cm., 5 ft. 9.29 in. (H)	Weight Power Monitor	Approx. 400 kg., 881.85 lbs. AC110V-240V 860W-1,030W Wide Vision Monitor PAT. PEND.

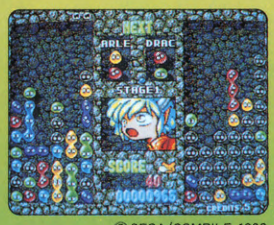
– TWIN TYPE –

SPECIFICATIONS			
Outer dimensions	126 cm., 4 ft. 1.6 in. (W) 175 cm., 5 ft. 9 in. (D) 176 cm., 5 ft. 9.3 in. (H)	Power Monitor	AC110V-240V 653W-668W Two monitors of a 26 in. 24K type are used.
Weight	Approx. 260 kg., 573.2 lbs.		PAT. PEND.

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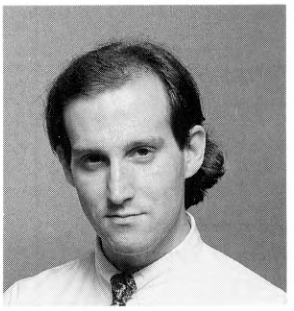
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FROM THE EDITORIAL ROOM

TO OUR READERS:



Eric Johnston, English Editor

We don't normally directly respond to another magazine's articles here at JAM, least of all to one with which we have enjoyed a good working relationship over the past few years. Our policy is that, as long as the basic facts are reported, everyone should be entitled to their own opinion. However, in the October issue of *Euroslot*, there is an article on the recent JAMMA Show ("To Rule The World," p. 95) that, in the opinion of the JAM Editorial Staff, contains errors in both facts and judgement too great to be ignored.

The article began with the assumption that Japanese manufacturers had told the world that they and they alone had decided how things would be done. Allowing for British humour, and no doubt a genuine concern that the rest of the world will have little voice in what the manufacturers produce, the article errs on several counts. First, it assumes that Japanese companies will ignore the supply and demand curve in other countries. Admittedly, Japan's amusement giants enjoy tight control in their own country, but in a free market economy, demand for products (be they PCB games or dedicated video) will eventually force manufacturers to respond to the needs of the local marketplace. In other words, SOMEBODY, SOMEWHERE will produce what the local operator needs. No one country has a technological monopoly on PC Boards, and perhaps it's not this challenge that intimidates non-Japanese firms as much as the financial and marketing ones. No one denies that Japanese companies have the lead, but who says that only they should be expected to supply the market? Overcoming technological, financial, legal and marketing barriers takes nothing but hard work.

In regards to the statement that the building of indoor amusement parks or theme arcades with Virtual Reality is "too fast for some of the industry-perhaps 99% of it," I can only say that what complacent business people see as "too expensive, too difficult and too complex" today, will eventually be seen in their competitor's arcade tomorrow. Isn't it miraculous that somehow, wise and farsighted operators consistently find a way to make money, be they large or small? Whether or not they NEED this technology is a decision that only the marketplace, the total marketplace, can decide. We believe that with the new technology and locations, the industry will expand and a diverse range of opportunities will open up, especially for those with the knowledge and resources to take advantage of the new developments. No, they won't be for everybody, and nor should they be. Japanese companies do recognize this fact. They are in business, just like the operator, to make money. With R & D and location development expenditures ever increasing, and a slowed-down Japanese economy, you can be sure that they will exercise extra caution in introducing big-ticket items unless they feel someone, either part of the traditional amusement industry or not, who can overcome all of the abovementioned barriers, is buying.

Finally, a word about the third day's attendance. As we reported in the October issue of JAM, public attendance on the third day was sparse. 10,000 to 15,000 people had been expected, but the actual turnout was far less. There was not "chaos which drove everyone mad on the last day." It was, by Japanese standards, rather sedate as only around 6,000 showed up. The fact that the third day was open to the public upset no one save a few parts manufacturers. A large contingent of mass media was on hand for the event, and, in general, JAMMA judged the show a PR success, the reason for inviting the public in the first place. All in the Japanese industry were well aware that business was to be conducted during the first two days. Not popular? Not quite. All you had to do was ask around.

When I go abroad, I hear many people groaning about the "image problem," but I rarely see this kind of effort to boost it. Rather than scorning the effort, we feel that it should be continued next year. We hope that the number of non-Japanese visitors will continue to increase and that they will see the show as a window of opportunity that Japanese manufacturers are providing for their business. ■

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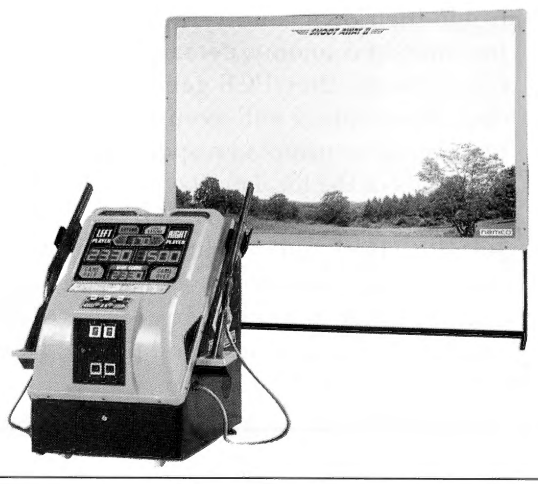
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THIS MONTH'S COVER

SHOOT AWAY II

NAMCO

The first Shoot Away game was an immediate hit when it was released a few years ago and the action continues with this sequel. In this skeet shooting game, players shoot the clay pigeons that move at varying speeds. There are a total of three levels and each skeet is worth anywhere from 30 to 100 points.



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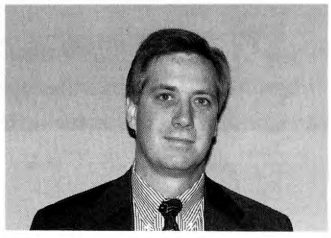
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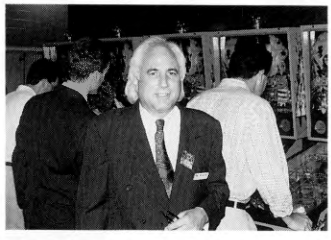
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Back Stage

TRANSLATIONS Readers wishing to receive translations of any news reports or features published in JAPAN AMUSEMENT MONTHLY, in any language, should fax the JAM Editorial Department with details of articles to be translated. Prices quoted will depend on the length of reports.

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EXCHANGE RATE All monetary figures in this month's issue are based on an exchange rate of Y123 = US$1.00

CD + Graphics
Autochanger
DH-210UH

JVC

JVC has begun to make a much more concentrated effort to endtire the international karaoke industry. Rather than expensive LD's, the company feels that CD + G offers karaoke users expanded opportunities at a lower cost. The DH-210UH offers karaoke operators a system that is very easy to set up and operate.



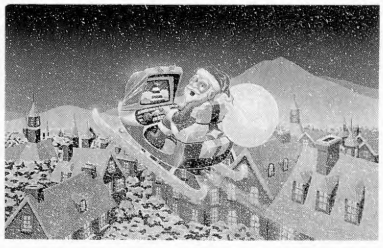
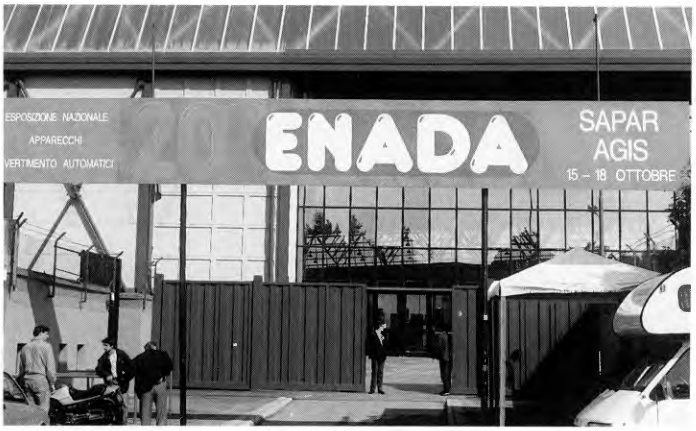


Illustration by: Shinji Soga

Ho! Ho! Ho! Yes, it's that time of year again (as if you didn't know already). In a highly original concept, Mr. Soga chose to portray St. Nicholas enjoying more modern amusements. No doubt many of the goodies that you see in JAM this month will be on your Christmas list. Happy holidays from all of us at JAM!

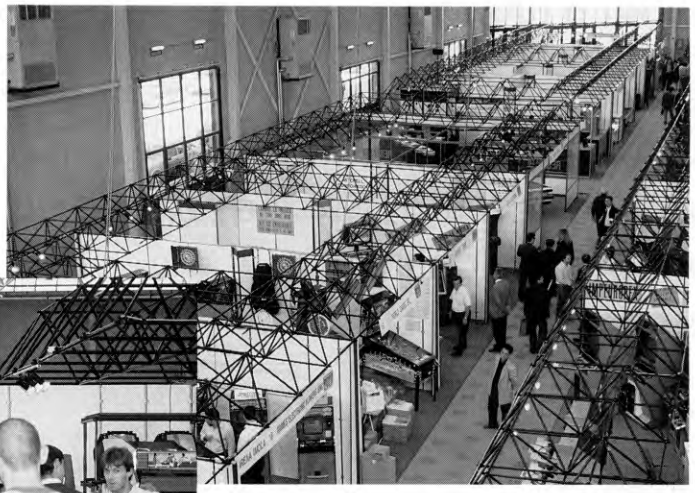


20th ENADA Fair

Rome, Italy

October 15th-18th, 1992

ENADA





by Eric Johnston

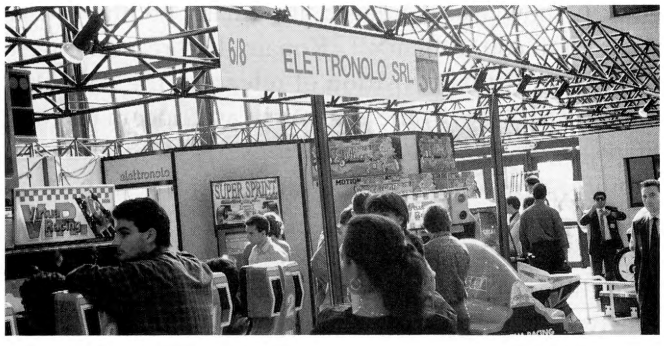
This fall, Europe was the scene for a number of major trade shows. From England to Russia to Italy, several major exhibitions were held, attended by leading manufacturers, distributors, and operators. On Oct. 15th through 18th, Rome was the scene of the 20th annual ENADA show. The top players in the Italian market were on hand for what is gradually becoming an international show, and JAM was on hand to find out where the Italian market has been and where it is going.

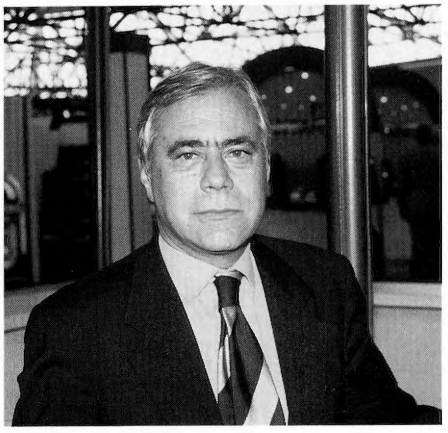
Of Bread and Circuses

If you ask people which European cities they would most like to hold a trade show in, Rome would be at or near the top of the list for many. The history, culture, and atmosphere offer the first time visitor a most appealing background in which to conduct business. And the food! For European dining at it's finest, this city offers hungry conventioneers a host of culinary delights, making it very difficult to decide where one should conclude the day's business, but very pleasant to do so once a decision has been made.

The Fiera di Roma, located a few kilometers away from the Coliseum, was the site of this year's ENADA show. Sponsored by SAPAR, the leading trade association of the Italian industry, this year marked the twentieth anniversary of a show that, in recent years, has expanded in both size and importance. Although with only 70 companies, of whom almost all were distributors, the show is smaller in size and scale than the ATEI or the IMA shows, ENADA was much more "intense," as one bystander commented. This was perhaps due to the small floor space, giving the show a slightly "cramped" feeling. Compared to the Las Vegas-style productions that the JAMMA and AMOA shows have become, the atmosphere at ENADA was definitely one of business more than pleasure. For starters, booths were uniform in design. Each booth was approximately ten feet high and bordered by black steel girders. This created a uniform feel to the show and "focused the attention on the products rather than on the booth design," said one attendee. Participating companies had their names displayed on a plain, black and white sign above the booth. No smiling models, no stage shows, no costumed attendants and neon fireworks. Just the products.

The show began on Thursday, Oct. 15th, and it was perhaps due to the mid-week starting time that the first day was sparsely attended. Although Italy's larger operators came on this day, we noticed a lot of exhibitors just standing around. Despite the low attendance, most people that we talked to remained upbeat and were convinced that business would pick up on the weekend. Sure enough, despite the rainy weather on the second day, a much larger crowd showed up, and the final day saw the aisles extremely crowded.





Maurizio Maneschi, Secretary of the SAPAR organization, sponsor of the 20th ENADA show, in front of the SAPAR booth at the center of the hall.

Driving Games Take Checkered Flag

The staples of this year's show seemed to be video games, pinball and driving games. The latter were enthusiastically received and every booth that had a driving simulation piece drew a lot of customers. The most popular driving games proved to be Jaleco's *Grand Prix Star* and Sega's *Virtua Racing*, which seemed to be as big a hit in Italy as it had been at the JAMMA show. In addition, *Prima*, a racing game that uses the body of a Ferrari, was also, and perhaps not so surprisingly, popular. *Grand Prix Star* and three units of *Virtua Racing* could be seen at Elettronolo Corp., Italy's leading importer-distributor of Japanese games. Etna Giochi Corp. also had several driving machines, including Sega's *Rad Mobile, Turbo Out Run, Rad Rally, After Burner, Super Monaco GP* (1 and 2 player versions) and *AB Cop*, on display. In addition, *Super Hang On*, a motorcycle driving game also from Sega and Atari's *Moto Frenzy* were drawing crowds. Namco was represented by their official distributor, Sipem SRL, whose driving simulation games included *Coca Cola Suzuka 8 hours*, and a two player version of *Final Lap 3*. Right in front of the Sipem booth, a company called Cimagiochi also had a *Suzuka 8 hours* machine set up. In addition, *Rad Rally* and *F1 Exhaust Note* were also available, and the latter game was also seen at the Video Star booth as well. Midcoin Corp. displayed the *Prima* driving simulation game, whose graphics Konami helped design. There's no doubt that driving game pieces play an important part in the Italian market.



Pinball Competion Was Fierce . . .

In the pinball field, the competition was intense and there were a number of machines that were drawing good reviews among the participants. In recent years, the pinball market has enjoyed something of a resurgance, thanks in part to developments in technology such as the Matrix dot display and innovative new ideas. The main players of the industry, Bally, Gottlieb and Data East were well represented. The machines that vied for the most attention were Gottlieb's *Cue Ball Wizard*, Williams's *Fish Tales*, and Data East's *Star Wars*. Other pinball games seen on display were *The Getaway* (Williams), Bally's *Black Rose*, and even a couple of *Addams' Family* machines. "The pinball market waxes and wanes," said Data East's Gary Stern. "Right now we are in a boom period, thanks to a number of technological advancements and exciting new ideas." Data East's latest pinball creation, *Star Wars*, was available at the Technoplay S.A. booth, where four units were drawing lines of players, particularly on the third day. The previously mentioned *Cue Ball Wizard* was available at a number of different booths. This machine/table game combines pool and pinball. Players shoot the pinball up past a white cue ball that is placed in the center of the playing board. The Data East *Star Wars* game, unveiled at the recent AMOA show, contains a number of high tech features, and if more machines had been available, it no doubt would have proven as popular as *Cue Ball Wizard* and *Fish Tales* were.

. . . While *Lethal Enforcers* Ruled the Video Sector

If the pinball field was slightly crowded and no one machine clearly dominated, the reverse could be said for the video field. Konami's *Lethal Enforcers*, the video shooting game with the photorealistic graphics, simply blew away any and all competition. This game, first seen in prototype form at the JAMMA show and then in completed form at the AMOA show, was displayed at so many booths, it was difficult to count them all. Konami had recently been in the unfortunate position of releasing the critically acclaimed *X-Men* at the same time as Capcom put out *Street Fighter II: Champion Edition*. Konami Europe, though, appears to have found a definite winner in *Lethal Enforcers*.

As mentioned prior, Namco was represented through their distributor, Sipem SRL. In addition to *Final Lap 3* (the two player version) and *Suzuka 8 Hours, Steel Gun-*

ner 2, Cracky Crab, and *Art of Fighting* (SNK) were also on display. *Cool Pool*, a pool game played on a video screen, was also drawing onlookers. For sheer variety, though, it would be hard to beat Cimagiochi, a distributor whose selection of games included old and new pinball machines such as *Lethal Weapon 3, Riverboat Gambler*, and *Gilligan's Island*, as well as video games such as Jaleco's *Battle of the Solar System, Double Axle* (Taito) Sega's *Super Monaco GP* and, of course, *Lethal Enforcers*, among many others.

In Japan, pachinko is a national pastime played by millions of people, although many non-Japanese residents don't particularly care for it (However, a good friend of the author's loves the game and often wins quite a bit of money). It was therefore interesting to discover that there is now an Italian version of the game. Exhibited by Technoplay S.A., *Jackpot*, as it is known, is a game in which the player shoots a rubber ball up a ramp where it bounces down into numbered holes. Like the Japanese version, players can win large quantities of small steel balls which may be traded for prizes. Many people had never seen this kind of game before and it was drawing quite a bit of attention.

Technoplay also had a push token game, *Merlin's Magic*, on display. In general, this particular entertainment form does not enjoy the same popularity in Italy as it does in Japan. The primary reason, according to some, is due to the fact that Italian laws vis a vis the amusement industry are quite strict and the government exercises tight control over the industry. Likewise, video poker is another area that does not represent as large a share in Italy as it does in other countries. *Royal Card*, a video poker game, was displayed by Rubbin, as was *Clown Around*, the token game that received a warm reception at the JAMMA show. Neither game, however, seemed to draw the attention that they have elsewhere. A company called Imeag SRL was showing *Royal Master*, another token redemption game.

Amusement operators in Italy are under a host of government restrictions, and income from gaming machines is heavily taxed. In addition, improprieties in bookkeeping can result in massive fines. Operators in Italy, then, must be especially careful about reporting their earnings. To help make the process run a little smoother, Elmac Corp. has developed the Play Card System. Operators use a credit card to store financial information on each game in a computer. At the end of the day, they can get a computer printout of how much income each game has generated, how much





Fish Tales *reeled in the players with its attractive design and playboard, while* Black Rose *(left) had mixed reviews.*



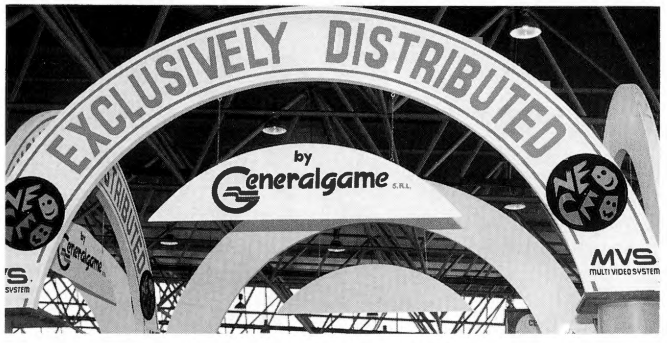


The Italians love their driving games, as much, if not more than the Japanese. Seen in the above pictures are Sega's After Burner *and one of several Ferrari driving games.*

was paid out, and how many credits remain (in the case of video poker games). Invented by company president Mr. Tiziano Tredese, the Play Card system proved to be a big hit in a country where the gaming industry is so closely monitored.

Unlike the IMA show (or the FER show), not a whole lot of billiards or foosball tables were seen. Some companies, such as Garlando and Roberto Sport exhibited air hockey units and video games such as *Seibu Cup Soccer* along with billiards and pool. These companies recognize the fact that billiards and foosball cannot by themselves draw a lot of customers. Of course, soccer, or football depending on your country of origin, is Europe's national pastime, and there were quite a few units of ***Seibu Cup Soccer*** on display. Alvin G. & Co.'s *A.G Soccer* was also available at both the Elmac and the Cimagiochi booths, but did not appear to be enjoying the same popularity as it had at other shows.



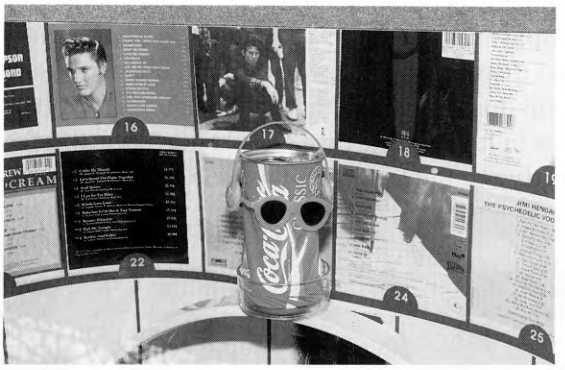


SNK's NEO GEO Proves A Hit

Although in general, the booths tended to be the same in appearance, and comparatively small in scale, towards the back of the hall, there was one booth that stood out. Generalgame, exclusive distributors of SNK products, had one of the largest booths at the show. Although not quite the theatrical production of the JAMMA show, four arches proudly proclaimed the company as "Exclusive Distributor" for the NEO GEO MVS system. In the center was a reception area/refreshment stand where customers and hungry journalists could receive free food and drink. SNK's latest hit, *The Art of Fighting*, was displayed in a







number of upright cabinets encircling the booth. In addition, there were past games such as *King of the Monsters 2*, *Eightman*, and *Football Frenzy* on display. SNK is now aiming for the home market as well, and the NEO GEO Home Video System, with software cartridges of *Art of Fighting*, were available off to one side. It wasn't all video, however. Acknowledging the earning power of driving games, Sega's *F1 Exhaust Note* was displayed, but perhaps what grabbed the attention of most passerby was the dancing Coca-Cola cans that were set up in front of the booth. Replete with sunglasses and earphones, these cans were actually part of a jukebox-like apparatus that played popular tunes.

The jukebox sector was represented by a number of companies, but it was Apparechi Depoca, whose exhibits included a number of "classic" jukeboxes, that stood out. Express Game Co. also exhibited CD jukeboxes, where popular American songs were pouring forth from several units. Automat Spiel, the official Wurlitzer distributor, also had that company's latest products on display. In addition, Rowe, which recently won the "Best Jukebox" award at the AMOA show was on hand.

Karaoke makes its ENADA Debut To Rave Reviews

For this reporter, one of the most surprising aspects of the show was to see karaoke being exhibited. Two companies displayed karaoke systems. One was a distributor called Pedretti SNC, whose Disco Teca, on first glance, looks like an ordinary jukebox. It is, however, a complete karaoke system with a number of Italian and English songs such as Bruce Springsteen's "Hungry Heart," Billy Joel's "Just The Way You Are," and the classic "Sentimental Journey." The software is from Nikkodo, one of the few Japanese karaoke manufacturers making an aggressive attempt in the European market. The first day of the show, the booth drew a number of curious onlookers, but management seemed more interested in promoting their CD jukeboxes than their karaoke unit, and by the third day few people seemed to be expressing much interest in the karaoke unit.

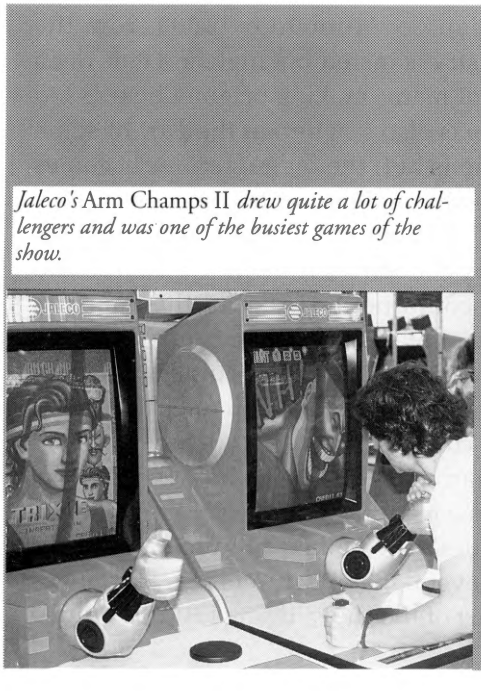
Such was not the case at the Novarmatic booth. Here, Nikkodo's DA-X1 hardware system was set up and an ample supply of software (also from Nikkodo) was drawing an enthusiastic response from crowds all throughout the show. An MC sang popular Italian songs to draw a crowd, and then invited different people in the audience to give karaoke a try for themselves. According to a spokeswoman for the company, karaoke is in its infancy in Italy, having been first introduced into the country back in February of this year. It made its trade show debut at the Rimini show last spring and has been slowly picking up steam ever since. At present, there are only 28 Italian songs available, but Nikkodo hopes to increase that number in the future. Novarmatic does not sell the equipment outright but rather leases the equipment to interested operators. Judging by the response that the system was garnering on all three days, it seems that karaoke may have a place in the future of the Italian amusement industry.

Amusements such as crane and redemption games were present, but not in abundance. Elettronolo had a *Segasonic* crane game on display with Sonic the Hedgehog stuffed toys. Imeag Corp. featured token/redemption game parts, but these kinds of games are very strictly regulated by the government and do not constitute a large share of the market. Electronic darts as well, did not seem to generate the same enthusiasm that it has in other countries. Vispi SAS had *New Darts* (Novamatic) on display, but the response seemed to be mixed.

One booth was particularly popular among attendees, although the product that they were exhibiting might seem a little out of place at an amusement show. *Speedy Spaghetti*, an instant spaghetti machine, became especially popular around lunchtime. The customer simply puts ordinary spaghetti noodles in the machine, presses a button, and about a minute later, a plate of fresh spaghetti is dispensed. Between this booth and the aforementioned Generalgame booth, one could enjoy Italian food without spending a fortune.

"Do You Want The Original Or The Copy?"

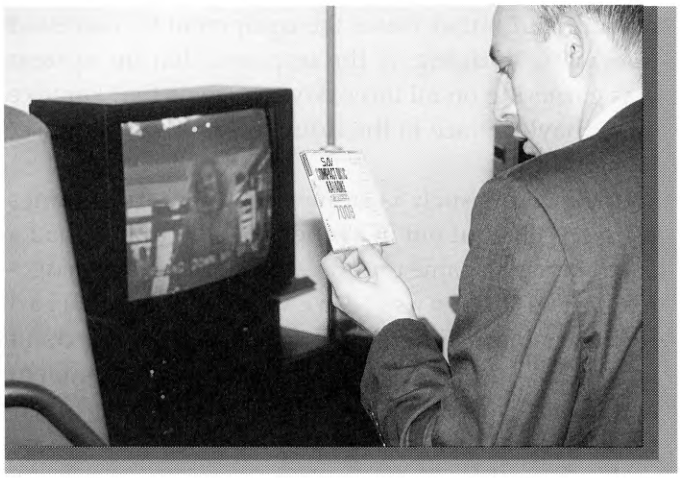
Finally, we come back to video. Although Konami's *Lethal Enforcers* was clearly the star of the show, there were a number of other video games that were doing quite well. Gegas Electronics displayed *Diet Go Go* and *Pocket Gal Deluxe* (Data East), as well as *Funky Jets* (Mitchell Corp). There were a number of these games at various companies throughout the hall, in addition to such games as *Shogun Warriors* (Kaneko) *GI Joe* (Konami) and, at the Elmac booth, *Warriors of Fate* (Capcom). However, THE story of the ENADA show was the proliferation of copyboards, in particular those of *Street Fighter II: Champion Edition*, that accounted for 90%, by some estimates, of all Street Fighter boards displayed. In recent months, Italy has been in the news as a source for copyboards, and for those used to conditions in the Japanese or American markets, where



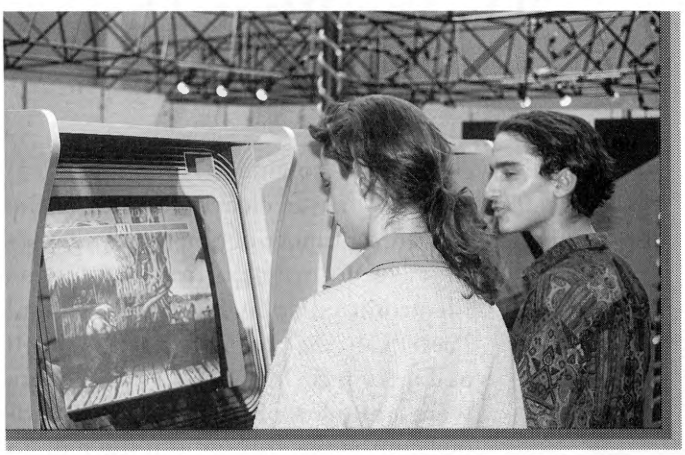
Jaleco's Arm Champs II *drew quite a lot of challengers and was one of the busiest games of the show.*

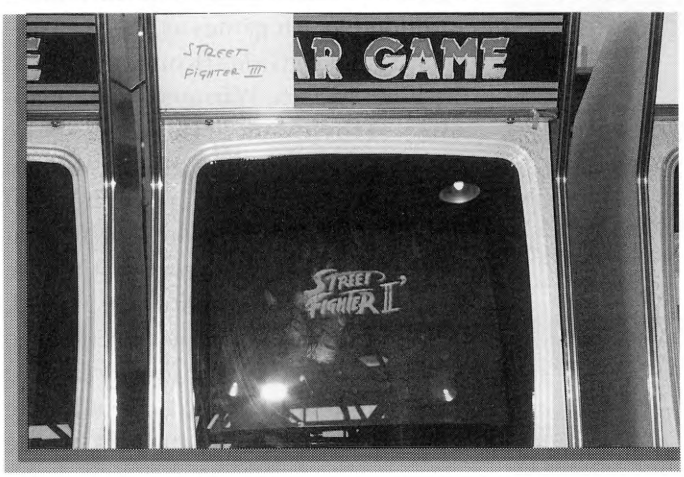


The grand champion of the dedicated video format: Lethal Enforcers.









few copyboards are openly displayed, the directness of the copyboard distributors was simply astounding. "Would you like to see the original or the copy?" This question was asked at many different booths, such as Palese Benedetto Corp. who had a *Street Fighter II: CE* copy on sale for about half the cost of an original board. Despite the fact that a Capcom representative was on hand pointing out *SFII* copies to anyone who would listen, the general attitude seemed to be one of "Copies are a part of the market, and if I don't buy copies, my competitor will."

In past issues of both this and other magazines, there has been some reporting on the Italian copyboard problem. According to a number of industry insiders, one of the main players is an Italian-based company called Dinuno, which is said to be involved in the sale and distribution of copies. It was interesting to note that this company was not at the ENADA show. "Of course not," said one source who declined to be identified, "the large copyboard manufacturers all stay away from such a public show. What you have are the smaller guys, as well as representatives from several Asian-based firms who do the actual production." Other companies that JAM identified as those who were selling *Street Fighter* copyboards included Impeuropex Coin Games Corp and International Games (photos are on left). Both companies freely admitted to selling *Street Fighter* copies and International Games placed a hand-written sign above their copy advertising it for the low price of 480,000 lira (around $600 as of mid-October). Only a couple of companies were hesitant to admit whether or not what they were selling was the original board. It is important to point out that there are a number of distributors who do oppose copyboards, and not all exhibitors at the show were showing copies. Why are copies so prevalent in Italy? There seem to be a number of reasons, both industry-related and general. On a macroeconomic level, the tax that the Italian government extracts from the amusement industry is incredibly high and cuts deep into the pockets of many, making original boards too expensive. There is also a belief on the part of some that when a game is hot, the manufacturer becomes much more aggressive and refuses to compromise during negotiations. Said one exhibitor, "I negotiated for three hours to buy 300 *Street Fighter II: CE* boards and receive a $50 discount per board. But the importer wouldn't budge. He insisted that I purchase 500 boards and receive no discount. In addition, no delivery dates could be set. With this kind of an attitude, I think it is O.K. to copy." Unfortunately, it seems that, at least in the Italian market, copies have become so prevalent that some manufacturers send "scouts" to the shows to make sure none of their products are copied and exhibited. Several manufacturers representatives spent the first part of the show doing just this. Video

is very popular in Italy, but it is the copyboard manufacturers who seem to be doing the most business.

Video, Pinball and Driving Games

The 20th ENADA show drew a wide variety of responses. For the pinball manufacturers, it was a good show. Mr. Gary Stern from Data East Pinball mentioned that he was particularly pleased at the response that the Star Wars machines got. Those companies that had exhibited driving simulation pieces had special reason to be pleased and Mr. Tiziano Fagioli of Elettronolo said that he was overwhelmed at the response that Sega's *Virtua Racing* generated. Mr. Norman Leftly, President of Jaleco Europe,mentioned that both *Arm Champs* and *Grand Prix Star* had done quite well at both the Leisure Week show in Birmingham, England and at the ENADA show. Despite the low turnout on the first day, customer traffic picked up the second and third days. Konami Europe certainly had little reason to complain, as *Lethal Enforcers* simply blew the competition away. Data East saw success with *Diet Go Go* and SNK's *Art of Fighting* drew large crowds.

Yet, aesthetically, there were a number of disappointing aspects. First and foremost was the fact that, unlike the JAMMA, AMOA, IMA, or ATEI shows, not all of the games were in operation. To walk past a booth with a row of darkened screens was to invite suspicion, especially in a show where so many copies were on display. It also gave one the feeling that the distributor didn't really know his business. Perhaps even worse was the fact that a number of pinball machines, most notably Williams's *The Getaway*, were set up with no flashing lights and sound. "A pinball machine is actually a complex piece of machinery, and some distributors don't know how to set them up properly," Mr. Stern said. Regardless, only a few booths seemed to be extremely professional: clean, well lit, with all games running properly and on display.

In the end, it was the copyboard issue that occupied many of the non-Italian visitors thoughts. Despite the fact that many in the Italian industry simply shrug their shoulders when the issue is brought up, the problem has now become worldwide. Although certain aspects of the industry, such as pinball are obviously quite healthy, the Italian industry faces many obstacles to the kind of growth that other countries enjoy. The ENADA show proved clearly that there is a lot of potential, despite high taxes and copies, for legitimate, sustained growth. Let's hope that potential will be realized. ■





Mitchell Corp.'s Funky Jets *was seen in many differnt booths. This is an original board.*



Capcom's Warriors of Fate *was closely guarded against copiers. The board was taken out every night after the show.*



EELEX

Central Exhibition Hall
St. Petersburg, Russia; October 21-23, 1992

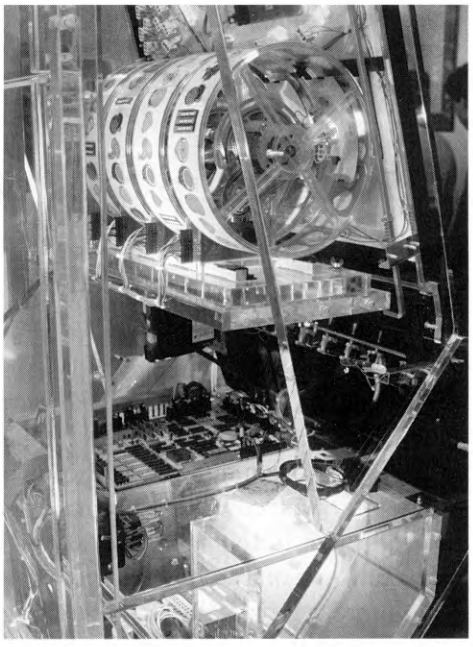
The Winds of Change

by John Lawrence

This past October, precisely 30 years after the Cuban Missile Crisis put the US and USSR on the brink of World War III, gaming and amusement industry leaders from both East and West came together in St. Petersburg, Russia to bury the past and move forward. Although the entrepreneurial climate of Russia is better than it ever has been, there are many problems, we shall see, that still must be worked out.



The Russian national flag flies over St. Petersburg.



A transparent fruit machine was on hand.

Mr. Vladimir Putin, Deputy Mayor of St. Petersburg, at the show's opening ceremonies.





Ballet brings out the best of the Old Russia.

Until a blundered coup d'etat by several hard-line communist elements set in motion a series of events that sparked a popular democratic uprising, Russia, in the form of the USSR, and the western democracies of Europe and America were locked in a struggle of power and ideologies that polarized global politics for three generations. Immediately after the failed takeover attempt that gripped the world in August of 1991, the winds of change began to blow through the amalgamation of nations that were once considered collectively to be the "last empire on Earth." By January 1992, the red, white and blue Russian national flag replaced the familiar hammer-and-sickle banner of the national communist party at the Kremlin in Moscow's Red Square where it had flown for the past 73 years. Since then, the new Confederation of Independent States (CIS), as it is known today, has been engaged in a long uphill struggle to implement a market-driven economy in a structure that has been under direct state control for most of the century. Slowly, President Boris Yeltsin, the first leader elected by popular vote in the 1,000-year history of Russia, has unveiled several plans aimed at reviving the Russian economy. Eventually, these economic reforms should affect all areas of the economy, including the amusement industry. And with a population of more than 300 million people, this country represents one of the largest potential markets in the world.

Recognizing this, the First Eastern European Leisure Exposition (EELEX) was held in the Central Exhibition Hall in St. Petersburg, Russia from October 21 to 23. The show, the result of one year of cooperation between *Euroslot* magazine and Unicum, a Russian game machine manufacturer, was the first major industry event held inside free Russia. To be completely accurate, it wasn't the first trade show ever held in Russia. Back in 1968, the potential for a Russian/Soviet amusement market was recognized by BACTA, the British amusement trade association, which organized a small show in the capital of Moscow. The 1968 exhibition was poorly planned, according to those who were present at both shows, but it was open to the public and Soviet citizens lined up for almost half a mile to get into the conference hall. Unfortunately, the manufacturers present then for that show were told that they could not take their machines back with them to the west and they were forced to sell the equipment for well under cost. This, coupled with

a series of unfortunate misunderstandings with Russian officials, meant that the promise of an expanded Soviet market remained unfulfilled.

Cleaning up St. Petersburg

Until now, that is. The EELEX was held in the totally different climate of a newly freed nation. According to Mr. Steven Whatmore, chairman of World's Fair, Ltd., publishers of *Euroslot*, and one of the major sponsors of the show, St. Petersburg, formerly known as Leningrad, was chosen by the show's officers over Moscow for two major reasons: first, St. Petersburg is the location of the home offices of Unicum, one of the show's major organizers. Secondly, and more symbolically, St. Petersburg has always been considered Russia's "gateway" between east and west. Although the show's opening ceremonies were scheduled for 11 a.m. on the 21st, doors opened earlier in the morning, and by 10:30, there were crowds of people milling around trying to get a sneak preview of what the show had to offer. Even as late as 10:45, contractors were scrambling to put the finishing touches on some of the booths. At the opening ceremonies, there were speeches from the two major forces behind the show, Mr. Whatmore and Mr. Boris Belotserkovsky, managing director of Unicum. After they spoke, Mr. Vladimir Putin, deputy mayor of St. Petersburg, took the stage and explained what the city plans to do with the revenue raised through gaming activities. Most of the revenue collected from the gambling industry, he said, will be directed towards efforts to clean up and improve St. Petersburg and its environs, which have been suffering from decades of environmental neglect. Mr. Putin, in emphasizing the point, declared, "We hope to remove ecologically dangerous businesses from the city and put in their place environmentally friendly firms." Finally, as a grand finale to the ceremonies, visitors were treated to a bit of Russian tradition as a children's dance troupe held a brief ballet performance.

The Central Exhibition Hall of St. Petersburg is a long, well-lit, narrow conference center of white marble and steel. As opposed to most other shows in the West, the EELEX hall was not carpeted. Additionally, most of the booths, with the notable exception of Austrian casino machine producer Novomatic, were uniform in design and size: white prefabricated walls with the company's name emblazoned on a plain black on white placard. Some 63 exhibitors from 20 countries displayed their wares to a curious crowd of industry professionals and the general public. Only six Japanese companies, Taito, Sega, SNK, Capcom, Dyna, and Sigma, took part in the show either directly or through their European subsidiaries. As compared to other shows, there was not a lot of Japanese participation at EELEX, mostly due to the political and economic situation in Russia. Additionally, the Russian



Mr. Boris Belotserkovsky of Unicum speaks to an international audience at the symposium.



Mr. Stephen Whatmore (l) with Mr. Chuck Ryan of Money Makers.



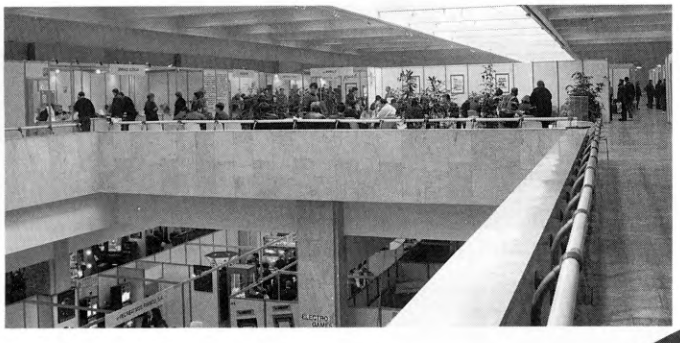
The symposium panel

amusement industry has not yet stabilized and until it has, Japanese makers will probably choose not get too deeply involved. Most European firms at the show were there to "fly the flag" of the company and generate name recognition among Russian operators for future business rather than to take immediate orders on new equipment.

The Russian market has unique qualities

The show was reflective of the Russian market at the moment and was dominated by European-manufactured gambling machines, in the form of reel, video poker, slot or video reel units. With the exception of Atari, however, the video dedicated displays at the EELEX were from Japanese companies. Several exhibits, from both Japanese and European companies, featured both video games and casino amusements. In addition, there were several European importers and distributors, such as Avranches Automatic, that displayed games manufactured by Japanese companies. Although Japanese companies exhibiting at the EELEX sponsored smaller and less lavish displays compared to western and Japanese shows, there was still plenty of enthusiasm on the parts of both the exhibitor and visitor. Taito, along with Capcom and SNK, had a booth dedicated exclusively to video. Sega's booth, shared with Deith Leisure, a Sega-owned, British-based firm, was a mix of video games and gaming units. Finally Dyna AB and Sigma exhibited various payout gaming units.

Taito displayed some of their older units such as their *Continental Circus* uprights. Capcom had one of the larger booths at the show, sharing their space with British manufacturer/distributor Electrocoin Automatics Ltd, and gave Russian children their first taste of *Street Fighter II: Champion Edition*. There were also several other video games and one pinball unit, handled by Electrocoin, that were on display from other manufacturers. SNK exhibited their NEO GEO MVS system to a very enthusiastic audience. The company has helped boost the Russian amusement industry by initiating domestic construction of video cabinets and



The interior of the hall



The exterior of the Central Exihibition Hall.



On the second and third days, thousands of people waited to get in to the show.



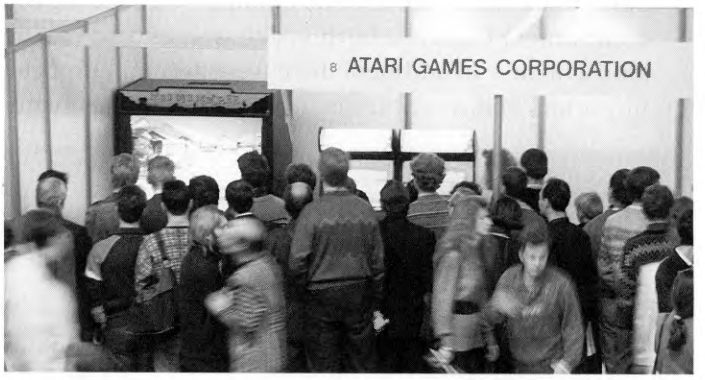
Too many people, not enough games.

other game-related hardware. At the show, one *Beast Busters* unit was exhibited that used a Russian made monitor and cabinet. Although the *Beast Busters* software itself is imported from SNK's European representatives, virtually all of the hardware was constructed domestically. "It was important to show commitment to the Russian industry," said Mr. Spyros Sparsis of Electrocoin, which also handles SNK. Despite the fact that labor costs in Russia are comparatively low and the *Beast Busters* cabinet cost only $300 to produce, there are still a few problems concerning hardware supply. Larger items, such as the video monitor, can usually be kept in stock, but there is an occasional lack of other necessary hardware, specifically smaller items such as screws and nails. "Sometimes we face shortages of these parts, and production comes to a halt, but we're going to work this out," he said. Sega saw the show as a chance to jockey for a dominant position in the Russian market. On November 2nd, Sega's entertainment center in London was scheduled to open, and with it comes a new promotional campaign, dubbed an "image revolution." Sega's strategy is to emphasize the lighter tax burden for amusement machines versus casino units in Russia. Mr. Ryosuke Momiyama, general manager, Sega Amusements Europe, commented, "It took Sega five years to transform and energize the Japanese market. We are projecting that we can do the same in only one year with western Europe and we are hoping that we can do it with the Russian market in about three."

Dyna and Sigma showed their payout gaming equipment, such as their reel and fruit machines, and their mini slot machines. For Dyna, the show was an astounding success. Exhibiting a booth through their Stockholm-based European office with Petrodin, one of St. Petersburg's largest trading companies, they emphasized mini slot machines, a very popular form of amusement in Japan. On the second day of the



Slot machines mesmerized the crowd.



Atari's booth resembled a rock concert.



Street Fighting, Russian Style.



A Russian-designed Beast Busters cabinet.



Las Vegas East in St. Pete.



Mikonix Co., Ltd. was one of the few CIS companies present.

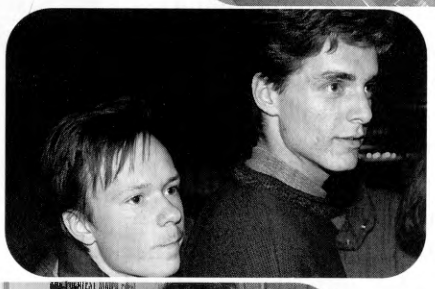
show, the company was able to arrange a joint venture with Bargames, a distributor/operator in Sofia, Bulgaria.. Under the new agreement, Dyna Europe will supply the company's new mini-slot machines to the Bulgarian firm, which will operate the machines in a variety of locations throughout the country. Sigma's booth was a small, simple white shell with three of their reel machines. A manager with Sigma, Mr. Michihiro Takashima, said "It was important to come and represent the company at the show, but we want to see where the Russian market will go before we take any more major steps."

A new experience

Under Russian law, a trade show cannot be limited exclusively to trade related representatives and the public must be allowed in. Despite an entry fee of 30 rubles (about 10 cents), a comparatively expensive cost, many children found their way to the exhibit. Many exhibitors, especially those displaying video games, while thinking that it was good to expose the general public to video and gaming amusements, were irritated that children could literally overrun the exhibits. Russian arcades are, in the words of one exhibitor, "1976 vintage, at best," so most local visitors to the show had, up to that point, rarely seen video games and certainly not any with today's technology. American-based Atari, through its British offices, displayed a purely video dedicated booth stocked with its latest games, such as *Mad Dog McCree*, *Moto Frenzy* and *Guardians of the 'Hood*. The booth was literally mobbed through the show and, at a couple of points, Atari sales director David Smith had to turn off the machines to disperse the crowd. "It is very difficult to do business here because of all the kids," commented Smith. "If an interested operator is in the audience, I won't be able to talk to him. They should have a designated time where the public will be allowed in and a time where the show is restricted to those in the trade." Mr. Chris Bruney, operations manager of Britain's Atari Expo, commented, "When we turned the machines on and the menu screen came up, their [the children's] faces were in awe. This wasn't the game itself, just the menu, but they have never seen anything like this before." Atari was not alone in its crowd-control problems. Other primarily video booths, such as Taito, SNK, Capcom and Sega were forced to cordon off their spaces and restrict entry into the booths by the second and third days of the show. While the gaming machine booths didn't experience the crowd problems that other companies did, they had another kind of problem on their hands. One company reported that some people, angry that they didn't win any tokens in a pusher game, resorted to tipping the machine in order to get some coins.

Video games drew younger visitors . . .



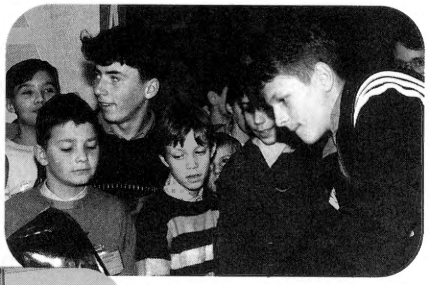


. . . To witness . . .



. . . The thrill . . .

. . . Of riding . . .





. . . And shooting.

At the end of the first day, there was a seminar and cocktail party held at the Astoria Hotel, headquarters hotel for the show. There, a panel of Russian and western business leaders explained some points about the Russian tax system for gaming machines, and spoke about the present and future conditions of the Russian amusement market. As for taxes, at the moment, there is a 28% flat VAT rate for all transactions that "western" (i.e. foreign) companies conduct business through their Russian offices. The VAT is also applicable if a machine is resold within Russian borders. However, if a western company sells directly to a Russian buyer,

no VAT will be levied. In order to be more attractive to future foreign investment, the tax rate is scheduled to be lowered to 20% on December 1st of this year. There is also a VAT levied on the purchase of services in Russia, although no tax is charged on revenue collected from casinos, gaming machines or other entertainment sources. Additionally, there is a 15% import tariff on all equipment shipped into Russia. Tax rates for revenue collected by a given amusement unit also vary. For instance, gambling machines (i.e. reel, slot, poker, etc.), which attract more customers in Russian arcades, are subject to a flat 90% tax that goes directly to the state. From the remaining 10%, the operator must deduct expenses, payroll and other overhead before declaring a profit. On non-profit, non-payout amusement machines such as video games, pinball, etc., the authorities are somewhat more lenient. After the operating and overhead costs are deducted, only 35% of the profits go to the government, with the operator taking the remainder.



Mr. Mikhail Berger, Economics Editor for Izvestia, *talks about the state of the Russian economy.*

Poker games attracted many curious onlookers.



From a legal aspect, Russia has a long way to go. Deputy Mayor Putin pointed out that there is currently no legal basis or hard regulations for the amusement industry, although there are strict government regulations and licensing procedures concerning the operation of gambling machines. "Our legislation is, well, quite frankly a mess," Mr. Putin admitted. Many participants at the forum were worried about it as well, and several thought that if proper legislation wasn't enacted within the next year or so, it could seriously harm, or even destroy the budding Russian casino and amusement market. At the conclusion of the seminar, the panel was split on the future of the Russian amusement industry, with most participants taking the view that the sooner western companies invest in the CIS, the better, but Mr. Putin disagreed and urged restraint on the part of the West until the domestic situation in Russia settles down.

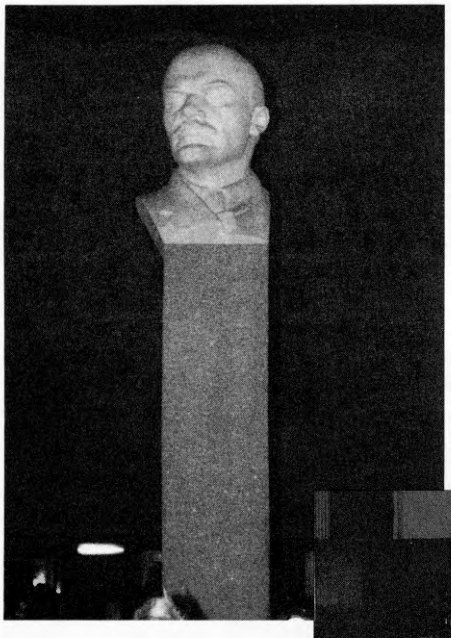
No easy answers

So where does the Russian market go from here? Many manufacturers believe that it is the most developed in the CIS, and with the arguable exception of the Ukraine and Baltic States, this is correct. Obviously, the greatest hurdle to the development of the Russian amusement industry is the state of the general economy. An average Russian citizen's monthly salary is 5,500 rubles *[$15.28 at the mid-October exchange rate of R360=US$1. As of late October, the ruble began trading at 393 to the dollar.-Ed.]*, and this has not kept pace with the dizzying rate of inflation that has racked the country over the past year. A monthly paycheck, which has never been able to buy much, now hardly covers the barest necessities. Prices for most commodities have doubled, tripled, or even quadrupled over the past three months. For example, gasoline, in July, cost about seven rubles per liter. As of mid-October, it was up to 25 rubles and was due to be increased to 27 or 28 rubles by the first of November. The average price for sausage, a winter staple food in the country, is now an average of 400 rubles per kilogram, but scheduled to rise to 1,000 rubles by the first of the year. Cheese, also a staple food, has risen from 350 rubles to 2,500 over the past three months, an increase of 714%. With this in mind, the most vexing question for many firms with an eye toward Russia is: how can the Russian amusement industry be profitably developed? Given the economic hardships now facing the country, not many exhibitors at the show believe that the Russian market will absorb many new machines over the next five years. Rather, discounted used machines are expected to make up a vast majority of the market over this time. However, there are numerous potential problems even with this. A majority of used 8-line machines and other similar gaming equipment will sell for anywhere between $500 to $1,250 in most western countries. That's approximately 160,000 to 400,000 rubles. Given the above salary figures, simple math dictates that just one of the cheaper used 8-line machines will cost close to two and a half year's salary. Even if the equipment could be paid for, can the operator overcome his initial investment in a reasonable amount of time? Local customers, with very rare exceptions, will play in rubles, and even then only rarely because, at the moment, most families are more concerned with putting food on their tables than with playing games. Until the ruble stabilizes, it be very difficult for operators to make up their initial investments, even on used machines.

While most exhibitors were predictably confident on

the surface that the rough Russian economy will be smoothed out within the next three to seven years, there are more immediate concerns that need to be addressed first, such as the Russian Central Bank's stance toward reform and the so-called non-convertability of the ruble. As illustrated earlier, there is an abysmal lack of money in the Russian economy. From this standpoint, there are quite literally two Russias, each one separate and distinct from the other. One is based on an isolated ruble economy, where Russian citizens can pay a month's wages for a pair of shoes. The other is for foreign visitors, or those Russians who have been outside the country and can pay in either US dollars or British pounds. For example, in Moscow's Sheremetevo Airport, as well as in most quality hotels, you pay in dollars if you are not a CIS national, and you pay in rubles if you are. According to Mr. Stephen Moody, a consultant to the International Monetary Fund (IMF) who was in St. Petersburg for an unrelated function, the Russian economy, under the current course of reform, is prime for a period of hyperinflation "on the scale of Argentina" sometime in the next few years. This is because the central bank has resisted and sabotaged all recent efforts to reform and upgrade the Russian financial system. Additionally, two other mechanisms must work for the ruble, incorrectly considered by many to be a non-convertible currency, to be accepted on the world markets. First, international traders must first want to own the currency for major investment purposes, much in the way they do with the German mark, US dollar, or Japanese yen, and then ordinary people must want to purchase it for use within Russia. These two actions, which are major forces behind convertability, will demonstrate a faith and trust in the Russian government that will, in turn, help it stabilize. One other problem is that most major transactions in Russia, domestic and international, are handled in dollars, not rubles. "Not only small transactions here and there, I mean deals in the millions of dollars are handled this way. This is one of their major problems," Mr. Moody noted. "Additionally, most Russian merchants would rather accept dollars than their own national currency because the ruble is seen as impotent. One may think that opening a branch office in Russia or dealing with companies here offers a phenomenal opportunity. In reality, it's a ticket to phenomenal difficulty and hardship."

This may seem to be a rather grim prognosis, but these are also the hard facts of a country in turmoil. Things are very rough for now, but at the EELEX, Western confidence in the future of Russia seemed to be quite high. Most booths have already been sold for EELEX '93 and many exhibitors will be coming back again next year. The reforms are in motion and the wind of change is blowing. But at the moment, the change is primarily in the form of small things and actions, such as an occasional trade show or business deal. It will take time, but if these small things continue, they will accumulate. And once the small actions reach critical mass, the larger things, such as investor confidence and international trading, will ultimately fall in place. ■



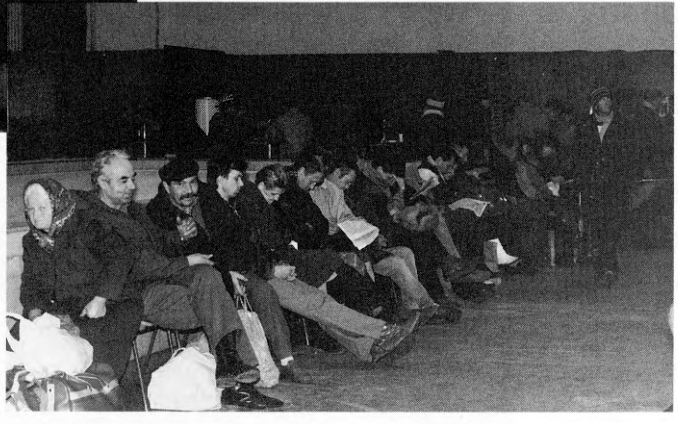
It will take time to make a complete break with the past.



Palace Square in central St. Petersburg.



He's not totally out of the picture yet.



Living standards in Russia still have a ways to go before they catch up with the West.

FER '92

Feria Española del Recreativo

by Carl Freire







The Feria Espanola del Recreativo for 1992 (FER '92) was held this past October 21st through 23rd at the Palacio Ferial in Barcelona. 200 companies were represented through 110 exhibitors at the Spanish Amusement Trade Show, FER's name in English. Although the number of exhibitors was up slightly from the previous year's 105, the Spanish industry is slowly working its way through difficult economic times. The majority of the booths were dedicated to token machines and carnival games, although video and pinball nonetheless put in a strong showing. The question for the industry is: what will happen next?

FER '92



An excellent production in sunny Barcelona

The Palacio Ferial, or Exposition Palace, is located in the Exposition District of Barcelona. The main building was built for the Barcelona World Exposition held in 1929, and the district contains around a dozen and a half buildings in all. If you pass through the grove of trees that lies on the southwest side of this area, you come to the site of Barcelona's more recent step onto the world stage, the Olympics complex. Head the other direction and you'll find yourself in an urban residential neighborhood where nearly all the apartments have balconies and the streets are lined with trees. Gaudi, Picasso, Miro, and Dali all came from the area, and Gaudi's yet-to-be completed cathedral, the Sagrada Familia, provides a dramatic backdrop for the apartments that surround it. If art and architecture are your interests, then Barcelona is not a bad place to be.

In this lovely European setting, Interalia, Ltd., the organizers, and the Spanish trade association FEDEMAR (the Spanish Federation for the Amusement Machine Industry), with the support of the Barcelona government, put on the FER '92 trade show. Held on three balmy late October days (including the day when Ms. Ciccone's controversial new photo book made its splash in the Spanish media), the show drew a total of 10,656 visitors, 852 of them from beyond Spanish borders. FEDEMAR itself represents both operators and manufacturers, having been born this year from the merger of two other organizations, the manufacturers' and distributors' group FACOMARE and the operators' ANDEMAR, and the booths at the show represented this diversity of membership. The leadership of FEDEMAR is symbolic of these antecedents, with Mr. Eduardo Morales from the former FACOMARE and Mr. Victor Calvo from the former ANDEMAR serving as co-presidents.

As one might expect with this composition, the variety of displays at FER was quite wide. In addition to video games and pinball, companies displayed game and amusement items such as karaoke, pool, air hockey, table soccer, and various carnival-type entertainments. These did not seem to be quite as busy as the video and pinball games, although this is likely due to the fact that the latter items require only one person each. In any event, soccer and pool were on site in force. There was a wide collection of other exhibitors with items on display that included massage chairs, stuffed dolls, vending machines, and even encyclopedias! The convention facilities provided for modular booth arrangements, which given the high quality of the site meant for uniformly good displays. Indeed, Interalia and FEDEMAR are to be commended for the overall excellence of their production, which was well organized from start to finish. Unlike many other



Amusement with prize (AWP) machines form a large part of the market.



Fancy graphics and straight forward pinball from Inder.



Kids could work out their frustrations in their own special room.

shows, however, this one did not have any special organized events or ceremonies beyond a ribbon cutting ceremony with Messrs. Morales and Calvo and members of the gaming commissions of both Catalonia and Spain doing the honors on the 21st.

The exposition hall used, the Palacio Ferial, is a three story facility, with each floor broken up into four levels that are arranged in a step-like fashion. The second floor was at ground level, with a pedestrian entrance that could double as a freight entrance in a pinch, and a loading dock in the back. There were several snack bars scattered around the fringes of the halls, as well as a cafeteria on both the bottom and top floors. A number of the larger exhibitors also had bars set up in their stands, providing free juice and soda for those still working and harder beverages for those who weren't. To move up and down in the hall, one had the option of going up the short flights of stairs from level to level or simply using the large ramps that ran up through the center of the building. The center ramp had the added bonus of providing one with a good vantage point from which to scout out the displays on each of the levels as you passed them by.

Racing, pinball, and *Lethal Enforcers*

In considering the overall character of the Spanish market, the type of hardware that predominates is the fruit machine. A relative of the "one-armed bandit" of Las Vegas and Monte Carlo fame, the fruit machine stands in a commanding position in Spain. A visit to any number of small bars or restaurants in the vicinity of the exposition hall inevitably also meant hearing the soon familiar beeping of these machines as the other patrons sought to cover the cost of an extra drink or plate of *tapas* (put crudely, bar food Spanish-style) with their winnings from the machine. Mr. Morales, who is also president of the distributor Sega Sonic and the FER '92 organizing committee, estimates that in monetary terms these machines, also called AWP (amusement with prize) machines, represent some 80% of the market. In fact, of the three largest distributors in the country, the display of one, Recreativos Francos, was dedicated exclusively to this area, while those of the other two, CIRSA-UNIDESA and Sega, devoted substantial portions of their floor space to these machines. The Spanish market has in fact been going through a transitional period as a result of these machines, of which more will be heard later in this piece.

As for the more "traditional" amusement machine fields, video and pinball both remain quite popular here. Looking around on the busiest day (the second day, with 4,156 visitors), the machines that were getting the most action were driving games and Konami's AMOA hit, *Lethal Enforcers*. Sega's booth had one machine while UNIDESA's had five, and all were kept fairly busy throughout the show. Furthermore, a number of other smaller booths had "Lethal Enforcers" on display, albeit with some faintly suspicious software and non-Konami manufactured cabinets. Even these machines were busy, although the poorer quality of those images sent at least this writer back to the genuine item in a hurry.

Cockpit racing machines of all makes had many a would-be Nigel Mansell waiting their turn at the wheel. Sega's *Virtua Racing* attracted a lot of attention wherever it was displayed, and was even available in an upright cabinet version to accompany the already available single and twin cockpit versions. Although the upright lacks the hydraulic seat of the larger models, the steering wheel itself still contains the action of the original, making for some fairly realistic G-force pull as one goes around the bends of a race course. Jaleco's *Grand Prix Star* was on display in upright, two-seater, and four-seat arrangements, all of which

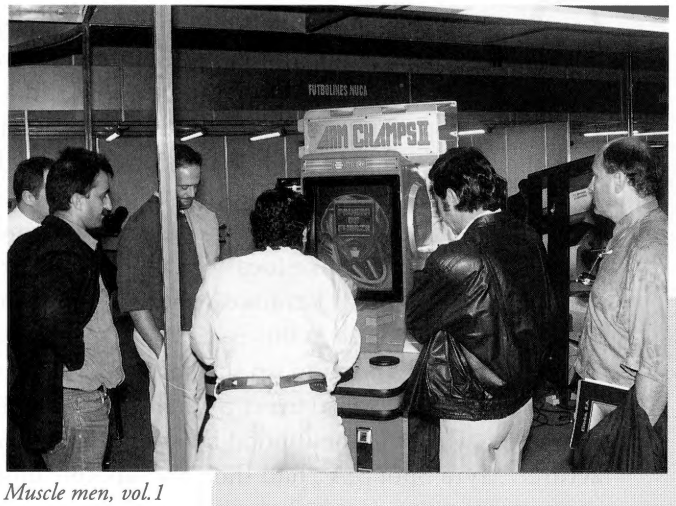
seemed to meet with a fair degree of customer interest. For those wanting to ride on fewer wheels, the main choice seemed to be Namco's *Coca Cola Suzuka 8 Hours*, a machine that often had at least one rider speeding the time away. Not far behind were Sega's *Stadium Cross* and Atari's *Moto Frenzy* in luring people away for a spin.

Pinball also attracted a fair amount of attention, no surprise given that Spain is also home to a small number of manufacturers of this machine. Nevertheless, it was the Chicago-area manufacturers that drew the bulk of the customers to their machines. Williams' *Fish Tales* and *Getaway*, Bally's *Doctor Who* and *Black Rose*, and *Lethal Weapon 3* and *Star Wars* from Data East Pinball all had plenty of players aiming for bonus ramps, the TARDIS, and Sink Ship signs. Bally Sente, the official distributor for Data East and Bally/Midway/Williams, provided *Dr. Who*, *Black Rose*, and *LW3* for a Spanish Pinball Association-sponsored tournament held on the second day of the show. Although Bally Sente, by its very nature, had the largest number of these machines on display, quite a few other distributors exhibited pinball together with their other offerings.

Inder, one of Spain's two pinball manufacturers, featured their *Metal Man* pinball machine at their booth tucked away on the bottom floor (level 2). Given the high level of technological development that goes on in the States, it is no surprise that such advances turn up in all areas, including pinball. *Metal Man*, on the other hand, while not an uncomplicated piece of engineering, was still nonetheless a simpler (and perhaps even refreshing?) work, a step back to the days of wider playing fields, slower action, and fewer bells and whistles. In addition to the half dozen or so "Metal Men" on display, Inder also displayed their lineup of AWP machines.

There were a large number of companies that featured pool tables, table soccer, air hockey, and the like on the basement floor. One company, Dislot, is in the business of slot car racing, and their booth featured these nostalgia items for players looking for a respite from the video action at the nearby Vifico booth. If video was what they were looking for, then Vifico was as good a place as any to start. As Jaleco's Spanish distributor, their booth featured the aforementioned *Grand Prix Star*, *Battle of the Solar System (B.O.T.S.S.)*, and *Arm Champs II*. The latter game seemed to be especially popular. In addition to the Jaleco products, the booth also featured Gottlieb's *Super Mario Bros.* and *Cue Ball Wizard* for people interested in pinball. Like many of the Spanish distributors, Vifico also presented their own lineup of video game cabinets.

MGA also had a large booth in the basement. As the official Spanish distributor for Taito, their booth was devoted to products from that company. The biggest eye-catcher at their booth was *Virtuality*, manufactured by Rediffusion Inc. and presented through Taito. With this, the player wears the familiar VR headgear and sits in a cockpit fitted with a steering wheel and



Muscle men, vol.1

Karaoke attracted some attention.





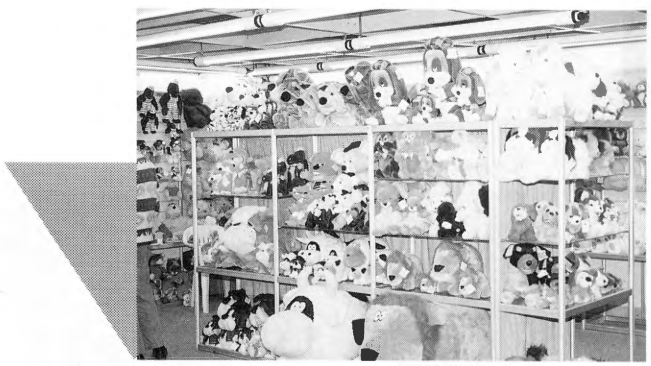
The Chicagoland gang's machines were used for a tournament.

weapons triggers. If one wants to draw comparisons, the scenario is vaguely reminiscent of those in "The Empire Strikes Back" and *B.O.T.S.S.* Onlookers could follow the action on the large video monitor next to the machine that MGA had set up for just that purpose. In addition to the high-tech, *Gun Buster* and *Monkey Mole Panic* were some of the other video games on display. *Gun Buster* was experiencing some software difficulties on the first day, probably related to shipping and handling, but these were ironed out by the second day. Token machines make up part of both the MGA and Taito lineups, with featured items including Taito's *Las Vegas* series and MGA's *Lloret* and *Top* machines. Other Taito software on display made use of MGA's own four player video cabinets. Rounding out the booth was a large balloon figure that resembled a cross between the Michelin tire man and the Pillsbury dough boy who carried a large pink heart with "Taito" emblazoned on it. Mercifully, he disappeared after day one.



Sorry, no room for back seat drivers, fella.







Displays included vending machines, plush toys, and encyclopedias.

Karaoke a part of the variety on display

Another product to be found at the show was karaoke, with three of the smaller booths featuring this leisure pursuit. Clip Audiovision S.A. exhibited both laser jukeboxes and karaoke from Pioneer in their basement booth, while Karioka de Diversion y Espectaculos S.L. presented the JVC line. Rounding things out was a third company called Micro-Sistem Planning S.L., an outfit which makes use of Taiwanese-manufactured hardware and software in the work to setup karaoke locations. For further discussion of the Spanish karaoke scene, turn to *World Update: Spain* elsewhere in this issue.

Levels 3 through 6 made up the second floor of the building. Level 3 featured a variety of smaller exhibitors. The aforementioned massage chair manufacturer, Myra Spot S.A., had their therapeutic equipment set up with a number of white-coated employees ready to assist those in need of muscle rejuvenation. Carrogio, S.A. de Ediciones stood next door with their lineup of encyclopedias, while PMS International Group PLC had wall-to-wall plush toys on the other side. Variety, indeed! Between the rest of the booths there was table soccer (Recreativos Presas S.L.), electronic components (Industrias Lorenzo S.A. and Hispacounter with their Mars Electronics display), and even a small bowling alley (Orduyar).

Level 4, on the other hand, was dominated by one

company, the distributor UNIDESA-CIRSA. CIRSA is actually a corporate group, of which UNIDESA (Universal de Desarrollos Electronicos, S.A.) is the section "dedicated to the development and manufacture of equipment for the amusement industry." According to Marketing Director Antonio Romero, this work is confined largely to AWP machines. UNIDESA also handles distribution for some Williams, Sega, Konami, and Atari products. From Williams there were *Fish Tales* and *Getaway*, *Virtua Racing* and *Stadium Cross* from Sega, and *Moto Frenzy* from Atari in addition to the aforementioned *Lethal Enforcers*. All of these games were kept busy throughout the show. On the fruit machine scene, the booth had the in house products *Nevada* and *Poker* for those who wished to test Lady Luck. To finish out their stand, they had one of the previously noted bars on the premises for the customer needing a cup of strong coffee to start the morning off with a jolt.



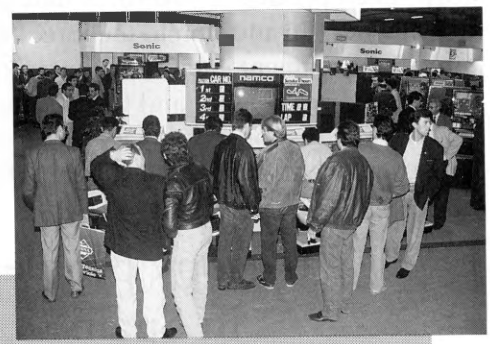
Recreativos Franco provided a bar in the back to go with their all-AWP display.

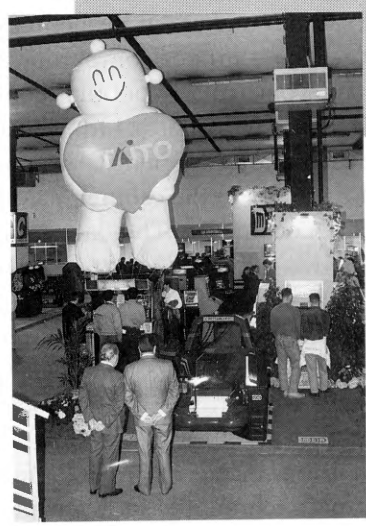
Level 5 presented the visitor with a heavily video oriented selection, although there were a handful of other-directed companies featuring pool and vending machines on the fringes. The three largest booths (Picmatic, Hantarex Iberica, and Azkoyen Comercial) featured a variety of monitors, cabinets, and other electronic components.

Taking the stairs back up to level 6 returned one to the pedestrian entrance at the back of the hall. The trade press were delegated to the entrance hall for their exhibits, and just past the gamut of inky paper stood a small recreation area dedicated to small children (perhaps the FER people were trying to tell us something . . .), festooned with balloons and a handful of games where tired parents could keep track of their offspring with relative ease. Behind this area stood booths for the smaller Spanish trade organizations and the larger booth for Sega. In addition to the Sega equipment on display, other machines that attracted attention were Namco's *Driver's Eyes* and the *Suzuka* machine, *Lethal Enforcers*, *Bucky O'Hare*, *Moto Frenzy*, Taito's *Super Sonic Blastman*, and Sega-Sonic's fruit machines, including their new *Pyramid* piece. As for the company's name, Mr. Morales explained that they were founded as a direct subsidiary of Sega in 1968, but this part of the relationship was severed when Sega was sold to Gulf & Western at the turn of the 1970s. The company has nonetheless remained as Sega's primary distributor to the Spanish market, receiving their newest equipment ahead of competitors such as UNIDESA.

Heading towards the upper levels, the next booth -- if such a word really defines the space -- belonged to Recreativos Franco. The contrast between, say, Tokyo's JAMMA show and FER was never wrought more clearly. Whereas Sega had the largest display at the former, Recreativos Franco, with their display dedicated exclusively to fruit machines, had the largest at the Barcelona show. Taking up the whole of level 7, the main items on display were two versions of their newest piece, *El Dado de Oro (Golden Dice)* and *Mini Dado*. As expected given the market, this booth was also kept busy throughout the show.

Eight hours is a long time to stay on a motorcycle.





Rumors that the Jolly Green Giant would be next could not be confirmed.



Virtua racers and lethal enforcers crowd the UNIDESA-CIRSA booth.



Muscle men, vol.2.



Comavi was one of many cabinet manufacturers on hand.

Level 8 brought us to the Bally Sente booth, the plainly-named pool table and dart board manufacturer Billares y Dardos, and a slew of peripherals manufacturers. Although large in size, the Bally booth featured only seven products, products that reflected their Chicago ties. In addition to the three aforementioned pinball tournament games, they presented *Star Wars* pinball, *Mortal Kombat*, and the *T2* video game. The seventh product on display was a CD juke box from Rowe, for whom they also distribute in Spain.

The copy problem in Spain

The final two levels were dominated by a handful video game cabinet makers in the center of each space, ringed by a mix of companies on the periphery. A particular particularly popular booth belonged to the English company Quasar Ltd., featuring a live action full participation experience. Another company which was not strictly in the cabinet making business was Comercial Cocamatic. They act as the official distributor for SNK's NEO GEO software, and also distribute for Mitchell, Data East, and some Sega pieces. In addition to NEO GEO staples such as *World Heroes*, they also presented *Dragon Gun* and *Diet Go Go* from Data East, *Funky Jets* from Mitchell, and *Golden Axe* from Sega.

It is said that imitation is the sincerest form of flattery; if so, the NEO GEO approach to multiple software offerings in a single cabinet can be said to be held in very high esteem, given the number of imitators we saw around the hall. This conveniently brings us to one of the two major problems that confronts this marketplace, and that is the proliferation of copy boards that are flooding the market. Mr. Morales was perhaps exaggerating for effect, but he estimated that copies occupy a whopping 90% of the marketplace. One booth featured Nintendo FamiCom software with "NEO GEO"-esque menu selection, while others featured to varying degrees games that were clearly not the genuine article. Mr. Yosuke Yoneda, an assistant manager for Capcom Europe GmbH, took us around the exhibition hall to point out a number of copies of *Street Fighter II*. Indeed, one game center we visited in Madrid had an *SFII* with a copyright attributed to "Mega, Co." Mr. Kazuhiro Takeishi, Manager of SNK's European operations, said their company plans to direct more attention to this problem, but at least up until now, the view of some distributors such as Mr. Morales is that they feel abandoned to a certain extent by companies who "want to sell their quota and forget about everything after that."

In any event, unlike at the ENADA show where some distributors were quite open about their illegal goods, everyone admitted there was a problem, but it was "the other guy" who was doing it, not them. Despite such protestations, another representative from a Japanese manufacturer we spoke to was of the belief that the question was not whether or not a distributor had their finger in the pie, so to speak, but how deep. Whatever the reality may be, this is clearly a problem that needs to be solved for the health of the industy.

A bright future on the horizon?

The other problem that faces the Spanish industry is the tax situation. As we mentioned before, AWP machines make up the bulk of the amusement machine market in Spain. According to Mr. Morales, they first entered the field in 1979 when legislation was passed allowing their manufacture and use. A large number of single site operators, such as bar owners, placed these machines in their establishments in the hope of making extra money. The number of machines proliferated, and with it public opposition in some quarters to readily available gambling. Finally, in 1990, the government made some fundamental changes in their approach to the machines. The réductions in payout amount and play time were relatively minor compared to the 240% increase in yearly taxes, a figure that now hovers in the neighborhood of 400,000 pesetas (roughly $4,000 or Y460,000). Understandably, this is leading to a shakeout of the smaller operators who were hoping to make that extra peseta and run, and forcing some of the bigger distributors to trim down their operations a bit. The worldwide economic slowdown is not helping the situation, but on the brighter side for the industry, the government is allowing the maximum payout from AWP machines to float back up (from 7,500 to 10,000 pstas., or up to $100/Y11,500), as well as permitting an increase in the time per play and the number of credits one can accumulate.

Despite these problems, the Spanish industry seems to be weathering this transition to a slimmer market quite well, at least on the basis of the FER show. The number of exhibitors was up slightly, we are told, from last year, and the show was reasonably well attended, although certainly not the scene that surrounds the larger shows such as the ATEI or JAMMA gatherings. Most exhibitors' reactions, albeit guarded vis a vis the tax situation, nonetheless seemed to be fairly pleased with the level of activity at FER. In addition, UNIDESA's Mr. Romero, amongst others, pointed out that rather than there being only one or two star products at the show, there seemed to be a large number of games that attracted the visitors' attention. All in all, one could safely call FER '92 a success; perhaps not a smashing one, but a success nonetheless. The weather certainly was in their favor, with clear blue skies providing cover from start to finish of a well-spent three days on the Mediterranean. Congratulations once again to Interalia and FEDEMAR, and we hope that the coming year sees the resolution of their copy board and tax problems to the benefit of one and all. ■

Adios, Barcelona. Hasta la proxima . . .









WORLD JOURNAL

(EVENT CALENDAR)



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FAX: 31-4103-3687

JANUARY 7 - 10

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JANUARY 27-30

IMA 93

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JAN. 31 - FEB. 3

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FEBRUARY 16 - 17

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FEBRUARY 23 - 25

BLACKPOOL AMUSEMENT EXHIBITION

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FEBRUARY 25 - 28

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FAX: 36-52-17-941

MARCH 9 - 10

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MARCH 11 - 13

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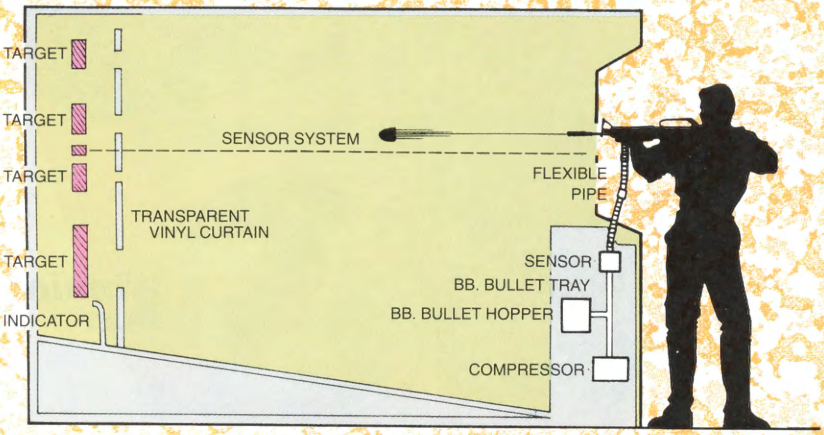
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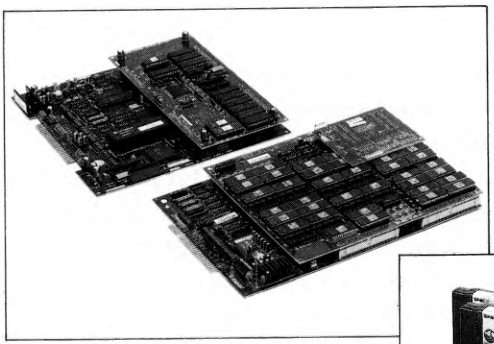
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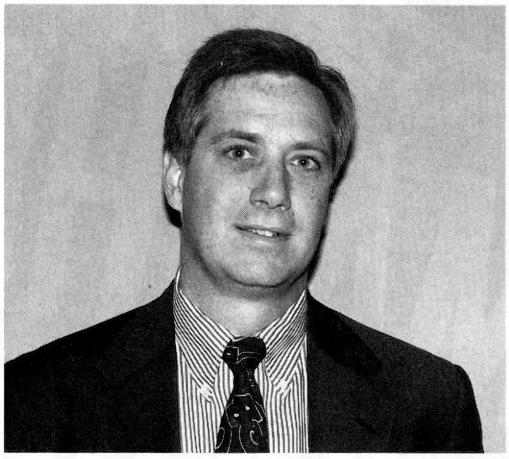
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SPECIAL INTERVIEW

Mr. Craig Johnson

President, AMOA



Interviewed By John Lawrence

This year's AMOA show was one of the most successful on record, which means the new head of the organization was busier than ever. This year, Mr. Craig Johnson of Salt Lake City's Tataka, Inc. was elected AMOA president for 1992-93. Despite his incredibly busy schedule, JAM was able to catch up with Mr. Johnson on the morning of the last day of the show and talk with him about the issues he will face in the coming year.

JAM: Congratulations on your appointment as President of the AMOA. First off, let me ask you about the show. Are you pleased with the response you've had thus far?

MR. JOHNSON: Yes. We've had an outstanding number of people come here and we still have one full day to go. While the numbers are important though, we have to ask ourselves: Are people getting a lot out of the show? By the comments I've heard, I'd say that everybody's very pleased with it.

JAM: You've been in the amusement industry for around 20 years now. What have been some of the more dramatic changes you've seen? What do you see for the future of the industry?

MR. JOHNSON: The biggest change has got to be video games. By today's standards, games like *Space Invaders* are archaic, but at the time, they were incredible.

For the future, I think technology is going to go more towards a quicker ability to analyze our games, even possibly becoming able to switch out our games by remote control. We'll move towards interactive networks like ISDN and to the ability to compress data digitally. Additionally, I believe we have a lot to look forward to in the next 12-24 months.

JAM: Aside from product development, what, in your view, are some of the major trends within the industry as a whole at the moment?

MR. JOHNSON: The major trend in the industry would have to be the one that we have been in for several years and that would be league play. We typically have been an industry that moves so quickly, we haven't had to do a lot of marketing. We simply put the product out and let it take its course. But in the leagues, we learned how to market the equipment. We're going to have to become a marketing industry. Even though the technology's there, we're not the only ones that have it. Outside forces are going to want to get into the industry because 40% of all computer software sold today is a game of some sort. People want to play video games, and it is seen as a growing market.

JAM: According to most news reports, the economy of the United States is slower than last year. Do you think that the sour economy is hurting the industry?

MR. JOHNSON: No, not at all. Actually I have problems with the attitude of a sour economy. We're not growing like we want, but we're seeing good, solid growth. Within our industry, from talking to

operators, I've seen a lot of folks with positive attitudes. I'm not hearing operators say "We've had a bad or off year." A lot of people here are looking at what we have. They're looking at the product and feeling good about it.

JAM: What is your agenda for your administration? What do you want to accomplish over the next twelve months?

MR. JOHNSON: That's the most asked question. For several years, the AMOA has come to the point to where each president was expected to step up with their own agenda and their own items that they wanted to accomplish. The industry today is not a short term commitment. Nothing can be done in a one year period. Everything we want to achieve has to be looked at from a long term point of view.

What I want, more than anything, is to keep the group very focused. What are our priorities? What are we doing to go after those priorities? And, finally, what are we doing to monitor our progress on those priorities? If, at the end of the year, we can maintain our focus and accomplish something along that timeline, then I can walk away and feel that I had a very successful year. The second thing that I feel is important to do as president is to talk to people. There's an awful lot of operators and distributors out there who don't have the opportunity to be involved with the things that are going on in the industry the way that the AMOA president does. Therefore, it is important that the president use as many forums as he can to help communicate with the industry. We have competitors out there for the entertainment dollar. Some of these companies are huge and, within their structure, they can move much quicker than we can in making decisions, so we have to have our communications down to the point to where we can make our decisions quickly and efficiently.

JAM: At last year's AMOA show, there was a three-way "summit" between the AMOA, AAMA and JAMMA and there have been several others since. What are your views in regard to these meetings?

MR. JOHNSON: I haven't been a part of the past meetings, but I attended the meeting we had here in Nashville. I felt that it was very, very productive for the three groups. The biggest single topic on the table was what's happening with technology and what's happening with the ability to communicate with our equipment. We voiced our concerns and we asked JAMMA if they would discuss these with us and we felt very good with their response. After the first of the year, we'll try to get back with them and the AAMA, and possibly with other players in the industry to talk further about where we think this is going. It was good.

JAM: What do you see for the future of such international cooperation? What do you want to accomplish over the next year?

MR. JOHNSON: The biggest thing I want on the table is a quicker and more effective method of setting the agenda and dealing with the issues so that we don't have to go to the table, talk about a problem, then decide to talk about it with our people and agree to meet again later. I'd like to go to the table, express the issues, be there, prepared to make some decisions that will effect the industry. We're looking to meet again in January, maybe February.

JAM: How do you intend to attack the copyboard problem?

MR. JOHNSON: We don't. Certainly, we absolutely don't condone copies. Those who are caught using them should be vigorously prosecuted. We disagree with them and they are a detriment to the industry. However, we have a full platter of issues to deal with at the AMOA and the copy problem is something that the manufacturers have got to deal with at the source. They know where they're coming from. They know far better than we do how they're getting into this country and they know far better than we do who is selling them and they're going to have to step up and deal with that. They are not going to deal with it by telling the end user "don't buy them."

JAM: Do you plan to press the AAMA or have an educational program about copies?

MR. JOHNSON: Personally, I think that's part of the problem. The AAMA's approach to this has always been "operators, don't buy them; operators, don't buy them." Reality dictates that if you go out and can find 10 operators who have bought copies, you've got one source that sold it to them. Why are we chasing 10 guys when we can chase one? Let's go back to this guy, if you're going to prosecute, back to the source and shut down the funnel of where this stuff is coming in. We adamantly encourage our operators not to buy them. At the same time, we're not going to be the police for the manufacturers. We don't have those kinds of resources and those we do have are not geared to that.

JAM: This year looks like it is going to be a watershed year in American politics come election day. America seems to be in an anti-incumbent mood at the moment. How does this bode for the dollar coin issue?

MR. JOHNSON: I think we will have around 150 new congressional leaders on the hill. We certainly are concerned about it, but we know that nothing's going to happen this year. We may have a bill moving along by 1993, though. Our problem doesn't seem to be so much in Congress as it does with the administration and the treasury. When the new Congress convenes, we will have to reintroduce the bill, bring the old players back up to speed, and bring the new players on board. A dollar coin will save the government between $300 to $800 million, but people have a natural resistance to change in anything. But, I think we'll have a coin before 1996. ■

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The past decade has witnessed the emergence of the Japan as a major economic power. From cars and Walkmans to semiconductors and finance, Japanese companies lead the way and have revolutionized the way the world does business. Yet, for many, Japan remains a mysterious country, and the amount of information that flows from Japan is not proportional to the country's economic strength and importance.

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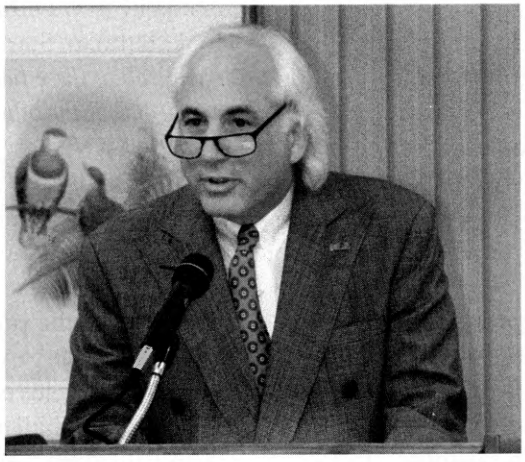
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SPECIAL INTERVIEW

Mr. Gary Stern

Executive Vice President, General Manager, Data East Pinball, Inc.



Interviewed by Carl Freire

Data East Pinball has been making a big splash these days with the licensed machines they've been adding to their lineup. The latest entry to the series, and possibly their biggest coup, is the* Star Wars *game, premiered at the AMOA show in Nashville this past September. Leading the company is a veritable pinball industry institution, Mr. Gary Stern. Despite his hectic schedule, Mr. Stern sat down on the second day of the show to talk with us about his life, Data East, and the pinball marketplace.

A long history in the amusement industry

JAM: To start off with a basic question, please give us a little bit of your personal background.

MR. STERN: Sure! I was born in 1945. My father Sam Stern was a game operator in Philadelphia during the 1930s, and later became a distributor for Williams Electronics. In 1947, he went to Chicago to see his supplier, Harry Williams of Williams Electronics. He came in, sat behind Harry's desk, put his feet up on it, and said, "Why don't you sell me the company?" After considering this for a while, Harry sold my father basically half of the company. Ultimately, my father bought Harry out and became the owner of Williams Electronics, which lasted for quite some time. In 1964, he sold it to Seeburg, a jukebox company, and stayed with them until 1969. In 1970, he left and ran pinball at Bally as an executive vice president, but then returned to Seeburg in 1970.

I, after finishing my accounting degree from Tulane and graduating from Northwestern University Law School, went to practice law for two years in Chicago. I joined my father in 1973 at Williams as Assistant to the President. We both left the company in 1976. Later that year we formed Stern Electronics using the assets of CDI *[Chicago Dynamic Industries, a company which made games under the name of Chicago Coin. They went bankrupt and Sam Stern bought up their assets.-Ed.]*. We eventually bought Seeburg, who no longer owned Williams, when they went bankrupt. They had been a publicly traded company when they bought Williams in 1964. After the purchase, Seeburg changed its name to Williams and sold off the old Seeburg units.

We now had Stern Electronics, a pinball and video company, and in fact did a lot of video licensing of games from Konami in addition to developing our own. We did this through 1984 when the market took a bath. We got out of that business and I went off to

do some other things for a time. Eventually, I put together a business plan for a new pinball machine company. It interested Data East USA out of San Jose and they in turn interested Mr. Fukuda of Data East Corp. in this business, and we started it in 1986.

JAM: How many people are there at Data East Pinball?

MR. STERN: Including all of the factory workers, some of whom are temporaries -- we use temporary workers so that we have the flexibility to go up and down -- the company employs almost four hundred people.

JAM: And how many people are on the design staff?

MR. STERN: In the overhead group, which would include design, factory supervision, purchasing, accounting, there are almost 45 people. There are also "outside consultants," people who we have do some of the programming or art work who are not on staff. So in the design group itself, there's around 20 or 25 people.

JAM: It sounds like you have a degree of freedom from Data East USA in terms of, say, wanting to develop certain products.

MR. STERN: We do have a relative degree of freedom. We are a uniquely American business. In fact, with regards to the product, pinball machines, there are only three companies making them for the world market, and all three companies are in the Chicagoland area. Actually, there's a fourth company that may be making conventional pinballs at some point, but they too are in the Chicago area. Those of us who have at least some understanding of this business are in Chicago -- I don't think anyone understands it completely. The suppliers who typically know how to supply are in the Chicagoland area. Inasmuch as the automobile business was once centered in Detroit in the U.S., all of the people who have been tooling for the little plastic posts and such are all in the Chicagoland area.

Regarding our relationship with the rest of Data East, we are one company. We work together, and all of our domestic sales are handled by Data East USA. A lot of our financial arrangements are handled by Data East USA as well. I handle the export sales of the pinball machines for the most part. But it is one company; we just happen to make a product that is very American, Chicago American. Data East USA and Data East Corp. oversee management of this entity, but are smart enough to allow the professionals do their work. We happen to have an excellent team of people in Chicago doing the work. Under myself, the business is run by a management team of four people. First, there's Joe Kaminkow. He is vice president of design. Next to him would be Wes Moore, our vice president of operations. Under Wes is Jim Ross, the vice president of material and purchasing, and next to Wes Moore is Mike O'Donell, our controllor, and a nice Irish Chicagoan. These four guys are the team that runs this business. I would like to think that I have something to do with it (laughter), but they're the people.

The company that rejuvenated licensing

JAM: I see at the show here, you have the new Star Wars *piece along with* Lethal Weapon 3. *In the past you've had* Hook, Batman, Star Trek, *etc. How have you been able to arrange all of these tie-ups? Do you approach the film companies, or is it the other way around?*

MR. STERN: Yes, we approach them. I call my partner Joe Kaminkow "the designer to the stars," if you would. He's become very well known among the various licensing agents out there, and handles that work. He keeps track of what's hot; he's very close friends with some of the producers that tell him what's going on, and is able to work projects through because of that. We did rejuvenate licensing; licensing was done once with pinball machines in about 1980, but we started it again. We recognized that if we were to make, for example, a stuffed animal that looked like a mouse, we couldn't sell it until we paid Walt Disney, at which point we could sell all we could make. Well, we are making what is ultimately a consumer item, a game, and [licensing] certainly works very well with games. It does a number of things: it gives the player an initial attraction to the game, and it gives them some understanding of what to do in the game if they are familiar with the licensed movie, etc. If he or she doesn't know the license but it's still a good theme for a pinball machine, then it'll still be a good game.

It does one other thing: it gets the creative juices of the design team flowing. In the case of *Star Wars*, these ladies and gentleman can repeat almost verbatim the entire script of these three movies! They really are "Star Wars" freaks. The beauty of *Star Wars* is that it will attract a broad, broad group of people, seeing as the first movie was fifteen years ago. "Star Wars," "The Empire Strikes Back," and "The Return of the Jedi" all hold spots in the ten highest grossing movies ever made, including number one. 700 hundred million people have seen them, including our designers of course, and it's just a very, very hot license title and the kind of attraction we want. The thing we do that is different from everyone else who has copied us in licensing -- there are now other people doing license games -- is that rather than management or sales saying to the design group, "We bought this license, do something with it," we see what they are interested in so that we can start the interest in the title and the creativity from the ground up.

JAM: I understand that you announced at the Data East breakfast held the other day that you also have the license

for the "prequel" to the "Star Wars" trilogy as well . . .

MR. STERN: When we do a license, we like to do something that has a long history: "Batman," "Star Wars," and so forth. Three of the top selling books in the country right now are "Star Wars" books, for example. We would also like to have, if possible, "current event": the release of a new movie, etc. In the case of "Star Wars," we recently had all three movies on television in the United States. The licensing is firing up again. A "Star Wars" world tour starting at Disneyworld in Tokyo was announced about a month ago, so we would like to think there is current event. We would like to think there will be a "subsequent event," i.e. another movie or the like, to rejuvenate the earnings. In fact, when the "Batman Returns" movie came out, *Batman* pinball machine earnings went up throughout most of the world. This is for a machine that was already a year, year and a half old.

Intellectual property rights and the state of pinball

JAM: Turning to a more delicate area, I understand you also announced that Data East Pinball is being sued by Williams. Would you care to speak about this?

MR. STERN: Not particularly. Unlike in Japan, it is very common in America for companies to seek legal redress. I am a lawyer, a member of both the Illinois and Federal bars. This is my background. [Williams] has alleged certain intellectual property infringements which we do not believe are accurate. We will be defending it. This is a common thing. They sued us once before for intellectual property infringements and it was settled. Though not necessarily a good one, it is a way of business in America. We do have a lot of lawsuits here, which does not seem to be the case in Japan.

JAM: Moving back to more general matters, how do things look in the U.S. market these days, both for the amusement industry as a whole and pinball in particular?

MR. STERN: Certainly video game interest is down. The games, unless they're very strong hits, are not selling well, given the repetitiveness of the software. Pinball is up, not enough to replace the loss in video, but I think the games are more interesting than they are in video now. I believe we have about a seven year cycle [in this industry]. I can't tell you how many years it will remain like this, but the market is doing well, which is indicated by the amount of used product being traded in. In 1976, we had the introduction of solid-state pinball machines, and that started a cycle. In 1983-1984, my partner Joe Kaminkow at Williams was on the team that designed *Space Shuttle*, the first game with ramps, and that started a rejuvenation. It's possible that the dot-matrix [screen] started the latest rejuvenation, because you can do more game specific things on it and it makes the other games look older.

In addition to that, the games are just better. When the competing products are not so great, when there's no other interference with, say, a lot of lottery business or, looking at other parts of the world, slot machine business, it is typical to see one of these cycles. How long will the cycle last? How long will this good market persist? Nobody knows, but I would think for a while. So to answer your question, pinball business is up, not just in the United States, but worldwide, with very few exceptions.

JAM: Any particular areas you would say are "bullets"?

MR. STERN: England is a bullet. The reason why England is a bullet is that pubs are now taking pinball machines where they didn't before. It's currently a booming market, and they tell me its got another six months to go, after which I believe it will remain a stronger place for pinball. South America is also a bullet, as is Taiwan. Everywhere else it is just growing enormously.

JAM: One final question and then I'll let you go. What are your general impressions about the show? Have you had the chance to walk around yet?

MR. STERN: No, I haven't. I walked around before the show opened, but I've spent almost the entire show in this room. It's a nice room (smiles). I believe Data East built a new booth, and it's the prettiest one at the show. It's got a nice roof, too (laughter), which means it is quiet enough to hear yourself talk. I've seen that game right over there through the window quite a bit, but other than that I haven't seen the show (more laughter). I hear the pinball machines are generating quite a bit of excitement. I've got to hand it to Mr. Fukuda who had the insight to invest in and stay with a pinball company that is helping him to diversify his business. I thank and congratulate him for his support. As for the Nashville location, it is my firm opinion that every trade show should be held in the Chicago area. They used to be all over the Chicago area, I think they should all go back to the Chicago area, but they won't. I like Chicago. ■



REPRINT

TARGET SEVEN

OHIRAGIKEN

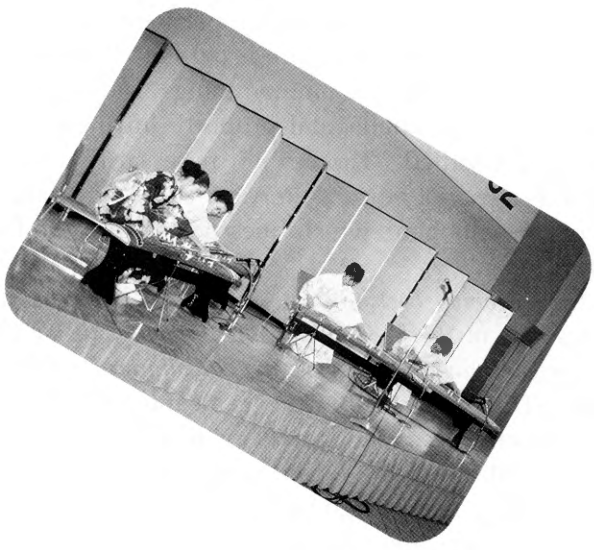
Despite the proliferation of models and plastic BB shooters, actual guns and firearms are strictly controlled in Japan, and every rifle, handgun or other such weapon must be registered and checked by local and prefectural authorities without exception. Maybe due to this, gun games enjoy a special place among the many types of carnival-style shooting games popular in Japanese arcades. In the past few years, shooting game technology has become more and more sophisticated, and, as a consequence, the action has become all the more realistic. Since the typical salaryman can't lay his hands on a 12-gauge, much less an Uzi, without a serious bureaucratic nightmare on his hands, the next best thing, then, is a rifle shooting game. **Target Seven**, the new BB-shooting gun game from Ohiragiken, fills a definite market, or, as some sociologists would argue, need.

With a sensor system that scans the space between the rifle and the targets, BBs can be fired ONLY when the rifle is pointed at the target area, avoiding the danger of an accidental discharge. To prevent the BBs from ricocheting, a transparent vinyl curtain is set up right in front of the targets. The gun, shaped like an M-16 is attached by a metal pipe to the sensor which sits above the BB bullet tray. Now that you're ready, aim carefully, and try to blow away the seven gangsters that will try to fake you out. *[The aforementioned sociologists may also contend that the targets are not gangsters at all, but rather irritants in daily life, such as one's boss, a late bus driver, a careless paperboy or a mother-in-law.-Ed.]*

One of the special features of the game is that two versions, one with random play and one with story play, are available. In the story version, seven "gangsters" have taken hostages in a building. The crack of a gunshot is heard, and you now find yourself in the position of being the hero. There are a total of 4 levels, and the player gets a silver medal for clearing Level 2 and a gold medal for clearing Level 4.

Target Seven is manufactured and distributed by Ohiragiken Industry Co. For more information, contact Ohiragiken at +81-582-41-7491.



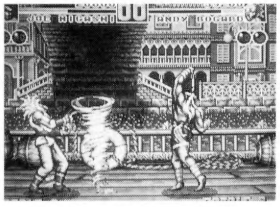


AOU '93 AMUSEMENT EXPO

February 16-17, 1993
Japan Convention Center; Makuhari Messe, Chiba, Japan

FATAL FURY 2

SNK







There's something to be said for fighting games. Without hurting anyone, they're a great way to relieve the stress that builds up over a day. Players project their own lives and conflicts on to the game, with the opponent being an irate boss *[or trade journal editor-Ed.]*, a rebellious child or annoying taxman. In the end, the game is over, stress is released and nobody has said or done anything they will regret. Continuing the strong, bold tradition high impact, realistic martial arts games have built, SNK proudly announces the release of its newest smash-'em-up and break-their-bones game, **Fatal Fury 2**, another in the company's 100M series.

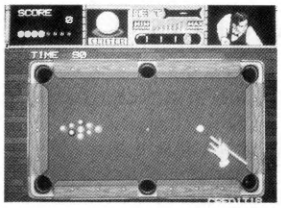
With up to eight characters to choose from, the player has a variety of ways to churn up some action. First, there's Terry and Andy, the battling Bogard brothers. Terry is a martial arts expert and Andy is a master at koppo, an ancient form of martial arts from Japan. In addition, there's Joe Higashi, who's into muay thai, a form of kick boxing; Kim Kaphwan, a Tae-Kwon Do aficionado; Big Bear, a professional wrestler; Jube Yamada, a top judo fighter; Chin Shinzan, one of the world's top kung-fu artists; and Mai Shiranui, a dangerous ninja. Echoing *Street Fighter II: Champion Edition* a little, *Fatal Fury 2* players can even, if they desire, challenge themselves (i.e. their own character) to a fight against themselves. Once the scenario is set up and players decide who they are going to fight against, the game goes for 12 solid rounds.

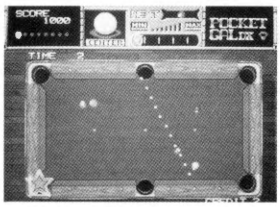
Characters are controlled by an 8-directional joystick and four buttons. The 'A' button is for punching, the 'B' button is for kicking, 'C' makes the character perform a strong punch, and 'D' gets the enemy in the gut with a strong kick. The player can use the joystick as both an offensive and defensive weapon against the opponent. In short, Fatal Fury 2 is a souped-up version of the original Fatal Fury. The game's ROM is packed in a durable cartridge.

For more information, contact SNK Corporation by phone at +81-6-338-7007 during regular Japanese business hours.

POCKET GAL DELUXE

Data East







Sometimes, you just gotta wonder just what these guys at Data East are up to. I mean, they release games such as *Tumblepop*, *Diet GoGo*, and the *Great RagtimeShow*, just to get us going, then just when we think it can't get any more, shall we say, uh, interesting, they come up with the provocatively named **Pocket Gal Deluxe**.

Well, before heavy breathing starts and the JAM What's Out Department is inundated with irate letters, we'd better tell you . . . it just goes to show that you can't judge a game by its name. *Pocket Gal Deluxe* is, of all things, a billiards game (surprise/sorry)! On sale since the end of November, this game is the sequel to *Pocket Gal*, a billiards game released by DE for both the arcade and home market back in 1987.

Like its predecessor, it's a simple game. No need to mess with tricky buttons and fancy character movements. *Pocket Gal Deluxe* has three game modes: one player pocket game, two player pocket game, or nine-ball. The pocket games are played very similar to American pool and the two player game is competitive. All games are played on a five game/three set match basis (i.e. The winner of three out of five games wins a set and the winner of two out of three sets wins the match).

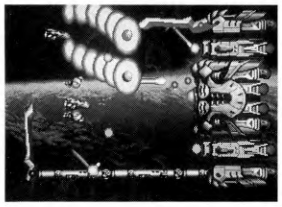
The game is controlled by a four directional joystick and three buttons. The A button determines shot power control, the B button checks the ball number point and the C button cancels out the A button! In other words, if you press the A button once, the graphic shot power bar, which is a graphic representation of the power of your shot, increases. When you press the A button again, that sets the shot, but until you press that A button a second time, pressing the C button will cancel all this mess out and start you back at zero again. Isn't that handy? The shot itself, determined, in part, by the player's skill at using the B button, can also be changed until the last second before the shot. Players also have to take care of their technical edge, too. Shots can be given a topspin, backspin and messe. If you aim and shoot carefully, you can win the game . . . and the girl *[The girl, though, is only a video image. No word on whether or not there will be a* Pocket Guy *game for our female players.-Ed.]*.

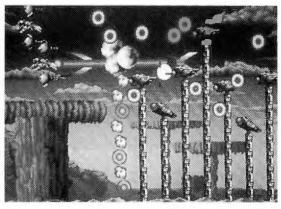
Perfect, in our opinion, for practicing up for those bar games where you want to impress your buddies.

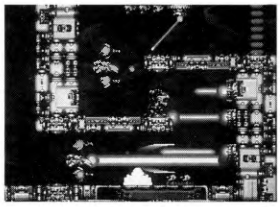
For more information, contact Data East at +81-3-5370-0712 by phone during regular Japanese business hours. They can also be reached by fax at +81-3-3335-3741.

R-TYPE LEO

Irem







Let's look in on a story that took place a long, long time ago in a galaxy far, far away. It seems that somewhere, out in the vacuum of space, a parallel world popped up. But this world was different from the home we know of today. This Earth was one of spacefarers. Evidently, from what we on our primitive planet can gather, things were going quite nicely until the planetary government came up with this grand reconstruction scheme called the Paradise Plan. It was kind of like an interplanetary perstroika. Under the plan, the ninth-generation bio-computer, code named Messiah (ominous, huh?), was to terraform other worlds for habitation by the species. It was a very grand scheme and, well, to make a long story short, it failed miserably. Messiah, assigned to terraform a planet named Eden, ran rampant. Of course, as one could predict, hostilities broke out and a formal declaration of war was issued. Yes, in case anyone's interested, it became a war of the worlds.

And that's where we stand with **R Type Leo**, the newest game from Irem, meant to be a parallel universe game for their other R Type games. This two-person simultaneous play game is one of those ones that will take you to a different universe without leaving the comfort of the corner arcade.

The player has a variety of armaments to choose from throughout the course of the war. Decked out in a suit of shining power armor with a psy-bit attachment, the player can pick up various items that will help in his/her quest for peace in the universe. Items are color-coded, with red for a cannon laser, blue for a reflector laser, and green for a search (and destroy) laser. If the player picks up a spy bit, the player can multiply his firepower and intelligence gathering capabilities. In a word, the player has an enemy-search function.

The game takes place over six stages, ranging from orbit around Eden to the Eden underground. Naturally. You think we'd allow that kind of extraterrestrial garbage and carnage on our home base? Even if it is a parallel universe, forget it, buddy. Control is provided by the interstellar eight directional joystick and one button. One button to blow away all the evil Edenites who threaten our way of life.

For more information, contact Irem by phone at +81-6-535-4885 during regular Japanese business hours.

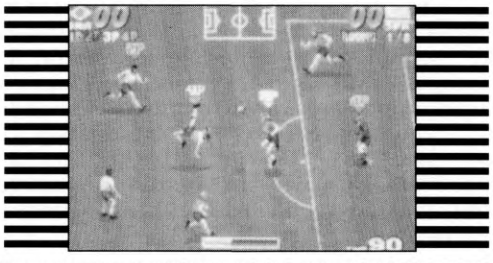
seibu

Announcement

To All Seibu Kaihatsu Retail Outlets

To date, our company has been developing products for the European market in cooperation with TUNING ELECTRONICS, a German-based firm.
However, we have established a European branch office.
We will continue to serve the European market through both our European office and TUNING ELECTRONICS.
We ask for your continued support. Thank you very much.

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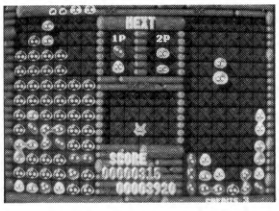


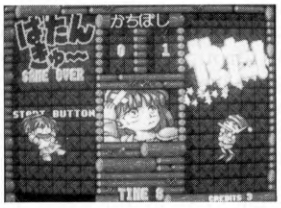
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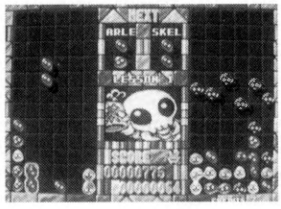
2-20-1 Misaki-cho Chiyoda-ku, Tokyo 101
Tel: 03-3238-9169 Fax: 03-3238-9187

PUYO PUYO

Sega







It is very interesting to watch the evolution of game genres as they appear right before your very eyes. You know, to see what manufacturers will come up with to lend a given game that certain twist or slant that will set it apart from its predecessors. For an enlightening example, let's take the genre of puzzle games.

It all started with a simple game called *Tetris*, where simple blocks fell into simple shapes and if the blocks matched, they simply disappeared. Then came *Columns*, where players stacked and matched jewels and more valuable treasures, and then *Soldam*, featured on these pages back in October. In each of these, the object was to get as many objects of the same color together, and when they did, they would disappear and the player would continue the game. Now, we get to see the genre ascend to new heights with **Puyo Puyo** from Sega. A puzzle game where you stack and match, as if it was the logical progression for the series, smiling little drops of slime as they ooze down the playfield. Well, they don't have to be drops of slime itself. They could very well be little blobs of, say jelly or marshmallow, but they sure do resemble slime balls.

That said, we can go on to the game itself. The rules and the style of play resemble a cross between Sega's *Twin Squash* (see JAM, What's Out; July, 1992) and the aforementioned puzzle games. The game can be set in one of two modes: one player vs. computer or competitive two player. Either way, you're in for some heavy game action because, as opposed to most other puzzle games, this one is opponent interactive, whether you face off with a human foe or not.

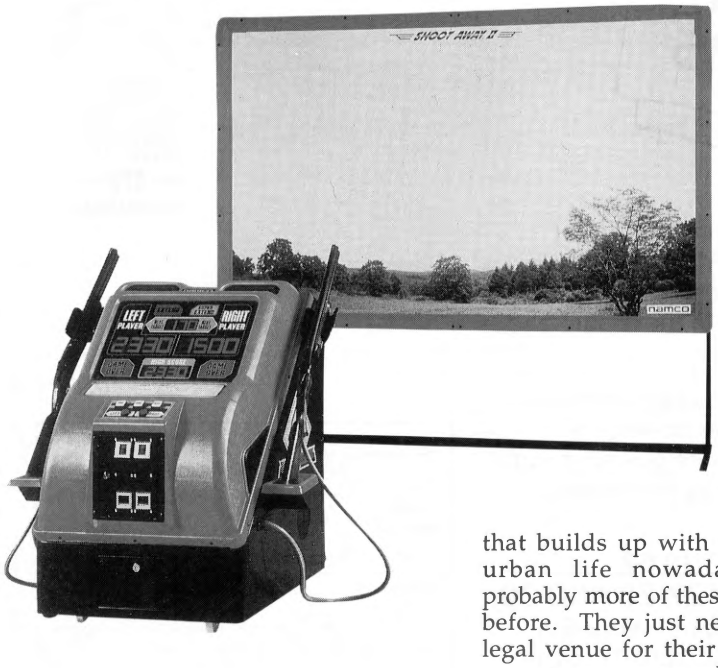
The playfield is bisected into equal parts, with the score and data display in a middle neutral zone. Once the proper mode has been selected, the multicolored Puyo Puyos (slime balls?) drip/ooze/drop down onto the field. If more than three Puyo Puyos of the same color are lined up, they disappear. "Ahh," says the reader. "Another takeoff of any other puzzle game, right?" Wrong. If more than four PPs are erased at once, they - surprise! - reappear on your opponent's board, making it harder for him to erase all these tenacious slime critters. Sounds neat, huh? Yeah, well, your opponent can do it to you, too, so watch out. When one of the players has their screen filled with PPs, the game is over and the player with the least PPs is declared the winner.

Control is provided by a three directional joystick to guide the PP to the left, right or down. There is also one button available to alter the order of the plummeting PPs.

For more information, contact Sega by phone at +81-3-3743-7483 during regular Japanese business hours.

SHOOT AWAY II

Namco



Skeet shooting is one of the most popular hobbies among sportsmen in many countries today. In a country like Japan, where mass urbanization has developed much of the countryside, skeet shooting is rather impractical, not to mention perilous. On top of that, it's not like you can just walk into the local department store and order up a 12-gauge shotgun. Thankfully, it's just not done.

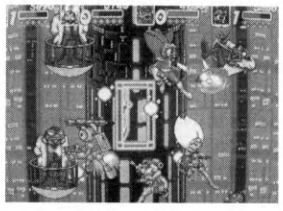
That's not to say that there are not skeet shooting aficionados out there. Indeed, with all the stress that builds up with the fast pace of urban life nowadays, there are probably more of these folks than ever before. They just need an easy and legal venue for their hobby. Several years ago, a game called Shoot Away gave just this, but after a while, it faded away. Now, it's back again and better than ever in its latest incarnation, **Shoot Away** II.

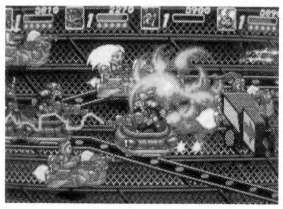
SAII is a two player shooting game modeled on a classic concept that goes back to the days before high-tech gee-whiz video gadgets. The player(s) face a large projection screen (updated and renovated for the high definition '90s) while brandishing a large single-barrel shotgun that is connected to the game's CPU. After selecting the appropriate difficulty level (beginner, intermediate/normal, expert), the player(s) begins taking pot shots at skeets that scoot across the screen. Each scooting skeet is worth anywhere from 30-100 points, depending on where it is hit, how fast it is traveling, and its relative "distance" from the player *[Pretty difficult to determine on a two-dimensional surface, but that's all part of the challenge. -Ed.]*. Just for those of you who think they can score big by memorizing the skeet flight patterns, we got a little news for you . . . Namco's thought about you and has programmed a random function into the game's brain chips. In other words, nobody, not even the machine, can tell where the next skeet is going to scoot until its launched.

For more information, contact Namco by phone at +81-3-3756-2311 during regular Japanese business hours.

BUCKY O'HARE

Konami









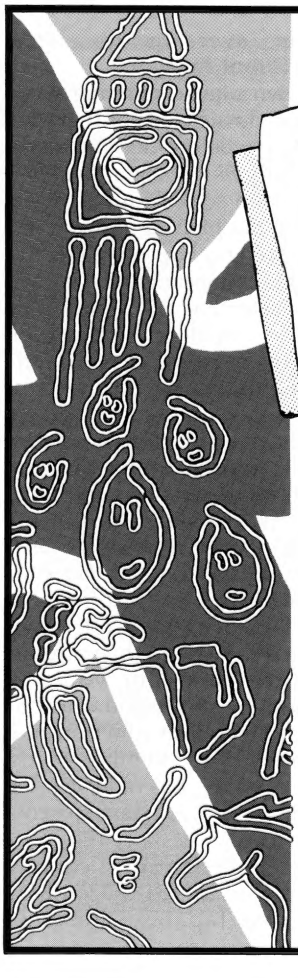
When it comes to converting American (or even European, for that matter) comic book characters into video games, no one can hold a candle to Konami. In the past year, they've transmogrified such comic heroes as X-Men and Asterix, all of whom are superheroes in their own right on their own respective turfs. Well, Konami's engineers, in accordance with the JAM Law of Success ("If it's a winning formula, don't mess with it unless you really gotta."), has developed their latest video game based on an animated character from America.

Bucky O'Hare is a laser slinging, large-eared, maniacal green rabbit in a fire-engine red and gold spacesuit, kind of like Bugs Bunny on the lunatic fringe. Leaping from planet to planet to fight in the name of good, he fights evil and doesn't hesitate to toast anyone who stands in his way. Recently, several television stations in the United States have claimed that he is an "educational" figure, and the main broadcasting regulatory agency in the country is reviewing the case.

Bucky the video game is a simple game with a simple premise. The Toad Empire (as you can almost hear the first bars of the "Star Wars" Imperial March in your mind) hops from star system to star system, sucking energy to power their nefarious deeds. The only creature brave, cunning, powerful and furry enough to stop these horrible hoppers in their tracks is Captain Bucky.

Bucky isn't alone in this intrepid adventure. He is accompanied by his faithful sidekicks, A.F.C. Blinky (a large eye encased in a spacesuit), Dead Eye Duck (who looks a little like a deranged Daffy Duck of previous Loony Tunes fame), and Psychic Cat Jenny (a lithe, white-haired character who is smarter than average feline). After players select their desired character, they are treated to a demo graphic that serves as an introduction and brings them up to speed on the scenario. Then they have to fight it out with waves upon waves of mean and nasty types, some of whom are on the toad's payroll, some of whom aren't. All through the game's 8 stages, the player has repeated chances to run into one of four performance enhancing items: power up, bomb power, life, or score bonus.

The operator can adjust the dip switch to allow for a two, three or four player game. Players can control their characters with an 8-directional joystick as they go through the horizontal scroll game. Additionally, players can choose a level approximate to their playing ability. For more information, contact Konami by phone at +81-3-3432-5528 during regular Japanese business hours or +81-3-3432-5529 by fax 24 hours a day.



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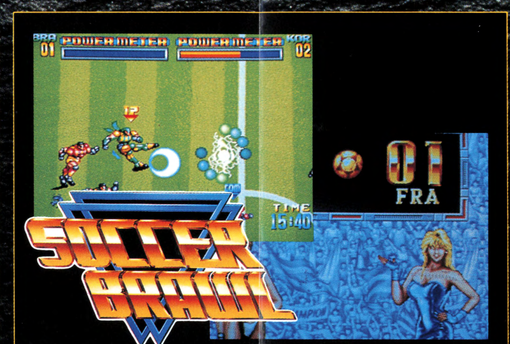
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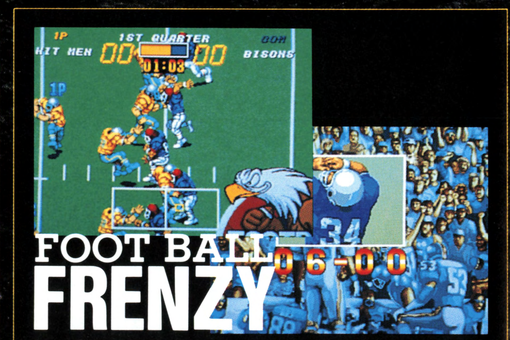






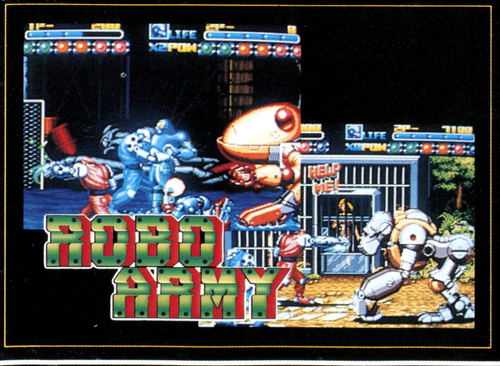


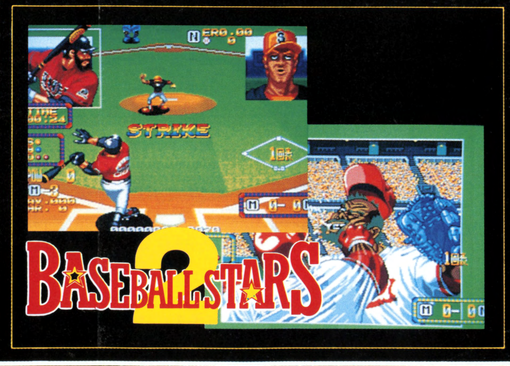












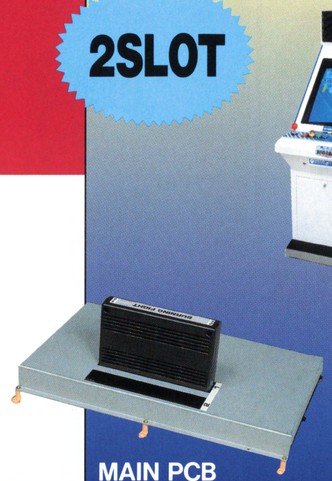
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(JAPAN AMUSEMENT MONTHLY)

LIW Attendance up 40% over 1991

Leisure Industry Week, held this past September in Birmingham, England was a better-than-hoped for success, according to the show's organizers. During the first hour of the show, the independently-audited attendance was reported to be up 40% over the 1991 show. That same morning, word was received that the British government would lower interest rates, and this was one reason for the additional excitement. By the end of the show, 18,857 visitors had been through the doors. Subtracting lecturers, repeat visitors, students, and other non-specifies, the LIW drew 15,452 buyers, a 28% hike over 1991.

It has been announced that the organizers of LIW, Independent Exhibitions, have negotiated the availability of outdoor space in the NEC grounds to run alongside the indoor show next year. This will allow rides and attractions suppliers to show their products to the best advantage. "The expansion into outdoor space will add enormously to what exhibitors can achieve in terms of impact. What's more, it will be at a cheaper rate than indoor space," explained INDEX Managing Director Andrew Dedman. The new outdoor facility will only be available to exhibitors who take space in the main indoor show.

According to Paul Grinnal, Sales manager for LIW, the move comes "as a response to the specific requirements of rides suppliers. They need to be able to show their rides in operation and they need to be able to do so at an affordable price. ❑

Sega-Hamleys Tie up for New Amusement Center

Sega has sealed an agreement with UK toyshop Hamleys, to create a family entertainment center in lower ground floor of the store, situated on London's Regent Street. The center, to be called Hamleys Metroplis, will cover 4,500 square feet and will be situated next to the existing cafeteria, Massarellas. Sega hopes to open the center at the beginning of November to catch the Christmas trade, and Hamleys staff, trained by Sega, will operate the center during retail opening hours. The center will contain 75 to 80 amusement machines including the R-360 simulator and the very latest *Virtua Racing* driving simulator. There will also be a dedicated fomrat for children's games which will be well supervised, as well as a number of redemption and sports games.

George Kieffer, deputy chairman of Sega Amusements Europe commented, "We are obviously delighted to be associated with Hamleys, a world famous name in toy retailing. We are confident that our new concept of family entertainment centers will prove a great success throughout Europe and will lead to change within the industry." ❑

Video Gaming Alliance Forms Board

The Video Gaming Alliance announces the formation of its first board of directors. The following distinguished coin machine industry experts have accepted positions on the Video Gaming Alliance Board: Philip Benson of Montana Music Rentals, Walter Bohrer of Hastings Distributing, Peter Feuer of Merit Industries, John Nicastro of Williams Electronic Gaming, Bill Treger of Betson Enterprises, Eugene Urso of Madison Coin Machine and William Ward of Arachnid.

Serving as state association executive liaison is Paul Corey, executive director of the Ohio Coin Machine Association. Serving as international liaison is Bernd Donalies of Stella International in Germany.

The Video Gaming Alliance is dedicated to the preservation of the traditional coin machine operator gaming activities. ❑

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"Star Trek" Entertainment Centers to Open

Paramount Pictures and US giant Edison Brothers have joined forces with virtual reality pioneer Dr. Jon Waldern to develop a chain of "Star Trek" themed entertainment centers according to a report in Leisure Week last week.

The first site is due to open next summer in an as yet unnamed US shopping mall. Dr. Waldern's W. Industries will be supplying the virtual reality equipment for the centers, and he believes up to fifty sites, including some in the UK, could be developed over the next five years. The centers will based on the TV series "Star Trek: The Next Generation." ❑

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NSM Nixes IMA

NSM has pulled out of next January's IMA exhibition. In a prepared statement, the company said, "NSM is withdrawing in view of the political and economic situation in an industry where the two largest manufacturers are already working short time. The self protection of the industry at IMA has taken on gigantic proportions. Instead of adapting our planned stand to the current economic climate, we have decided this year to pull out entirely from IMA and thus make a demonstrative gesture for the maintenance of the economic and legal fundamentals of industry." ❑

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Rowe Wins AMOA Award

For the third year in a row, the Rowe/AMi LaserStar jukebox has won the prestigious AMOA "Most Played Jukebox" award. The award, which was presented at the 1992 AMOA banquet in Nashville, TN, will hang in the Rowe/AMi Grand Rapids, MI factory among the many other industry awards presented over the years to the company for their CD jukeboxes.

Since the inception of the LaserStar CD jukebox there have been five votes for "The Best" and "Most Played," and Rowe/AMi has won them all. "All of us at Rowe/AMi give our sincere thanks to America's operators for this great honor," said Mr. Joel Friedman, Senior Vice President.

Research at Rowe/AMi is nonstop and many of the advanced features designed into the LaserStar will become even more important to the music operator in years to come. ❑

IAAPA Holds Annual Show

The annual IAAPA convention was held on November 18th through 21st at the Dallas Convention Center, Dallas, Texas. Over 700 companies from around the world, including Japan's Togo Corporation was one of the many companies participating in what is fast becoming recognized as the leading theme park and attraction show. Visitors to the show saw a number of special workshops designed to give those in the industry a leading edge in marketing, technology and management.

The keynote speaker for the event was given by Mr. Nolan D. Archibald, President, The Black & Decker Corporation. Following that, the doors opened and visitors flocked the isles. Throughout the show, a number of special receptions and luncheons took place, including one on Thursday, November 19th by Mr. Robert L. Crandall, Chairman and C.E.O. of AMR Corporation and American Airlines.

Of particular interest to Japanese participants was the presentation given on Thursday. Entitled "Increasing Attendance for Amusement Parks in Japan," this seminar was translated into Japanese for the benefit of the guests. As companies like Togo continue to expand their role in the international theme park industry, Japanese amusement complexes such as Huis Ten Bosch or Kobe's Portopia, to say nothing of Tokyo's Disneyland and Namco's Wondereggs, will no doubt continue to draw more and more international attention.

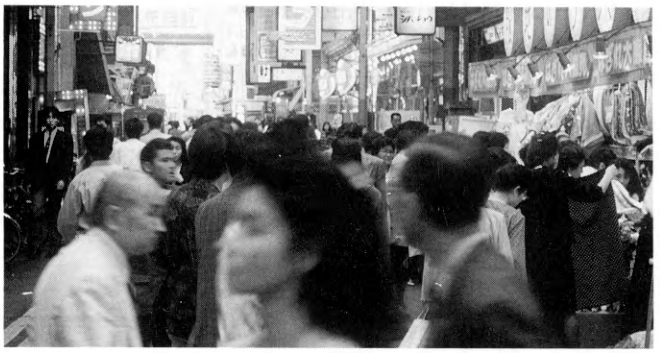
The show ended with famous TV and radio personality Dick Clark at the center of a multimedia show. Popular early 60s stars The Shirelles, Freddy Cannon, and the Coasters provided the musical entertainment after the industry handed out a number of special awards.

For information on next year's show, contact the IAAPA at TEL: (703) 836-4800. ❑

The Lockheed scandal. The Recruit scandal. The Sagawa Express Delivery Co. scandal. At first glance, it would seem that if one is talking about Japanese politics, one necessarily has to talk about the malfeasance of the country's politicians. As many foreigners never get beyond that first glance, we thought it would be appropriate to provide an overview of the Japanese political scene. To familiarize you with the scene, we begin this occasional series with a look at the political parties on the Japanese stage. Although there are many parties with seats in government, only five play a role of any importance.

Politics, Japanese Style (1): Political Parties

by Carl Freire



One of the first questions the uninitiated might have when it comes to Japanese politics is: what parties exist on the political stage? Like the democracies of continental Europe, there are a number of parties representing a relatively broad spectrum of political belief in Japan, as opposed to the two party model of the United States. In recent years, a number of relatively minor parties with names such as the Sports Peace Party and the Japan New Party have entered the stage. However, the number of truly major players has remained at five since the early 1960's. Of these five, only two (and--arguably--really only one) have been true center stage players, with the remaining three in rather peripheral positions around this binary core.

Another factor which is also important to consider before this discussion can begin is that factions within parties, especially within the ruling Liberal Democratic Party (**LDP**), play a very important role in developments on the political scene here. Unlike most factions one might find in the European and even U.S.A. reality, the majority of those in Japan divide on the basis of personality and relative power of a particular leader rather than to support a particular ideology.

In fact, there are many cynics who might suggest that Japanese politics is indeed a question of personality rather than ideology. This is owing to the fact that the first party under discussion, the LDP, has, with the exception of eighteen months in 1947-48, remained at the head of every government in the postwar period, with the result that decisions of national importance are often made amongst LDP factions, rather than in the Diet, the nation's governing body. The LDP share of Lower House seats, the more important of the two bodies, has stayed in the 50% to 60% range.

The origins of the LDP lie in two prewar parties, the Political Friend's Party and the People's Government Party. These two parties are regarded as being conservative, as historian John Whitney Hall observes, as they were "supportive of elite interests," with both in fact having rather close relations with the two most important prewar conglomerates. After the war, these two parties regrouped and renamed themselves the Liberal and Democratic parties, respectively. One issue that has arisen from these origins is the fear among some that those elements which led to the birth of "Imperial Japan" formed these new postwar entities and might want a return to such a past; a fear perhaps given some credence by the number of "rehabilitated" war criminals in postwar leadership positions. In any event, as their interests were rather close, the two parties united in 1955, combining their names to provide the nomenclature for the new entity.

The LDP sits on the right end of the political spectrum. What is particularly interesting, however, is that it has proven itself adaptive to changing circumstances, and in the process emphasizing the comparatively lesser role that ideology plays in Japanese--and some would say Asian--democratic politics. That is to say, the LDP has undertaken political programs that would seem to be at odds with a rigidly interpreted right-wing ideology, but are entirely consistent with the behavior of a political being that wishes to maintain its position of governmental authority. The most

obvious example of this can be seen in the government's reaction to the number of pollution problems that Japan incurred in the 1960s and 1970s as a by-product of the emphasis on industrial growth. While the electorate responded in the 1970s by electing many opposition members to mayoral and prefectural *[Japan is divided into 48 provinces referred to as "prefectures." -Ed.]* leadership, the LDP-led government enacted stricter regulations for factories and automobile exhaust to combat the problems at their source. Although they were slow to act and their motives were not necessarily as altruistic as they would otherwise wish you to believe, the point is the LDP shifted their position to suit the circumstances.

If the LDP can be characterized by a degree of flexibility, many would argue the reverse is true of the largest opposition party, the Social Democratic Party of Japan (**SDPJ**). This party also has roots in the prewar period, with a large portion deriving from the Socialist Masses Party, and a substantial minority coming from other groupings that often found themselves suppressed in the prevailing environment. The SDPJ, in coalition with the Democratic Party, led the brief-lived Katayama and Ashida governments of 1947-48, but has remained out of power ever since. Its percentage of Lower House seats has ranged from the low 20s to the mid-30s. Furthermore, the right and left wings of the party split in 1959, with the smaller right wing forming the Democratic Socialist Party (**DSP**).



Soundtruck campaigning, here by the DSP, is common.

The bulk of the support for the SDPJ comes from Japan's largest labor unions. If one were to look for the flash point of the SDPJ's differences with the LDP, then one finds the postwar Constitution looming above all else. The SDPJ sees the more conservative elements of the LDP as wanting to return to a prewar "imperial democracy" with limited public participation and room for public redress of problems regarding, for example, what is to be taught in Japanese public schools. The SDPJ has been particularly firm, if not inflexible, in its stance regarding the so-called "peace" clause of the Constitution and the legality both of Japan's army, euphemistically named Self-Defense Forces, and of the special security arrangements with the U.S.

The division that resulted in the formation of the DSP was a result of differences of opinion (and ideology) with regards to the U.S.-Japan Security Treaty. The treaty was due to be renewed in 1960, and the fragile unity of the SDPJ, which also saw a merger of sorts in 1955, didn't last the debate. The DSP took what can be described as a more moderate stance on the issue at the time, a position that has drifted much closer to that of the LDP, i.e. an acceptance of the existence of Japan's armed forces. The crux of this problem, incidentally, lies over a central immobilizing factor in Japanese politics, the question of constitutional revision, a subject to be taken up in a later *Japan Now*. The DSP has consistently held onto 7-8% of the vote.

The DSP is held to be a centrist party, a position it shares with the **Komeito**, or "Clean Government" Party. The Komeito was founded in 1964 by the Buddhist school Soka Gakkai. Many so-called "new" religions arose in the aftermath of the Second World War, and the Soka Gakkai attracted the most followers. It also attracted a great deal of media attention for its tendency to physically pummel members of other "new" religions. At first, Komeito members were almost all exclusively Soka Gakkai members, but this situation began to change after the party severed its formal ties with the religion in the 1980s. In terms of seats in the Lower House of the Diet, the Komeito is the largest opposition party after the SDPJ, with percentages in the lower teens.

Finally, there is the Japan Communist Party (**JCP**). The antecendents of the JCP were forced underground almost immediately upon their inception in the mid-1920s, a reflection of the political tenor of the times. The movement went through a particularly harsh time in the prewar period, and was saved by the American occupiers in 1945, who released them in the interest of free expression. The party aligned itself more closely with China by the 1960s, and has seen its share of Diet seats in the postwar period vary from 5% to 10% or so, depending on the circumstances. Several important unions, including the Teachers' Union, support the JCP.

This completes our laundry list of the major political parties on the Japanese scene. A political system is composed, of course, of much more than just electoral entities such as these. In this occasional mini-series, we will take you on a beginner's walk through this entity, focusing on the structure of the bureaucracy and the voting system, with the hope that you'll have a better understanding of the political goings-on the next time you see the words "Dateline, Japan" in the news. ■

JAPAN LOCATION REPORT

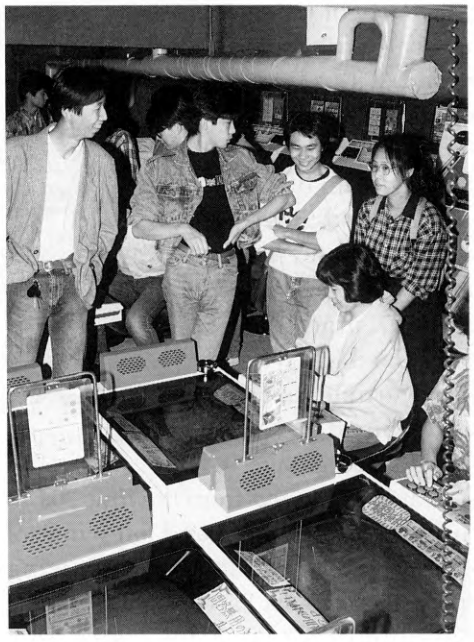
With Christmas just around the corner, Japan's operators may be thinking about a Christmas wish list. The list might be rather short, however, as the industry as a whole seemed to ride out the recession better than almost anybody else. Although not the frantic pace of 1991, Japan's industry nevertheless had several amusements that seemed recession-proof. The big question will be: Can the trend continue into 1993?

Amusement Facilities Up By 24.7%

Blighted by sluggish consumption, the growth rate in the service and leisure industries has started to slacken. According to the *Nihon Keizai Shimbun's* "Comprehensive Service Industries Poll," the sales figures for a total of 2010 companies in 51 different industries were down by 7.8%, almost half of those of the previous year. Reasons for this slowdown are varied, but one seems to be that substance has become more important than form, i.e. the demand for character, content, and service takes priority over appearance. The same poll also mentions the fact that contrary to this trend, amusement facilities showed a higher growth rate than the previous year, at 24.7%. This was associated with a 4.6% increase in theme parks and a 13.5% rise in amusement parks.

The enthusiasm exhibited by the major manufacturers for the first half of the year is still unflagging and many of them are pushing ahead with concrete plans to establish locations in cities and roadside sites within the year or by next spring. Readers may wonder if there are sites available in these areas, but it seems that the bubble economy and its aftermath spawned a great deal of unsold land, many landowners of which are now approaching the industry. Applications from joint operations are also on the increase and major manufacturers are busy carrying out market research on proposed sites.

A little disturbed by these frantic activities, small and middle-sized operators are starting to feel somewhat hedged in with a growing uncertainty about the fate of popular game machines such as crane games



and *Street Fighter II*-type games. There is a strong indication that these operators are prepared to do nothing but sit back as passive observers of the trends of major corporations and the market till the end of the year.

Games that target the niche market, such as *Streetfighter II: Champion Edition*, the *New UFO Catcher, NEO GEO*, and others are turning up in unexpected places, encouraging a significant rise in location competition. Single locations targeting elementary and junior high school students are still the mainstay, but in a market whose scale remains unchanged, competition is fierce and the dispersion of customers has resulted in an average fall in profits for each location.



Virtua Racing *two-in-one model (Sega)*

Looking

at game types, as usual the three mentioned above are the most popular with the addition this term of Sega's large-size driving game, *Virtua Racing*, which has been getting great reviews.

In the last issue of JAM, we wrote that *Virtua Racing* would not appear in this magazine's ranking until it was available in more locations. However, possibly due to an improvement in the distribution system, the number of locations that have introduced the game has rapidly accelerated, and it looks like ***Virtua Racing*** could vault to number one this month. The machine's two-in-one model made its debut at the recent AM Show in Tokyo and has raised expectations. The deluxe *Virtua Racing* model offers communication functions for up to eight players but this begs the question of limited space in most urban locations. In contrast, the twin model takes up little space and offers the same interactive communication functions so that groups or couples can play simultaneously. Indeed, there are a large number of operators and store managers already wondering if they will be able to get hold of enough models. This popularity may set readers thinking that the operation rate has fallen for other driving games such as *F1 Exhaust Note* (Sega), *Final Lap 3* (Namco), and *Grand Prix Star* (Jaleco), but these games appear to have already well cleared the hurdles.



Shogun Warriors *(Kaneko/Sammy)*

The same goes for Namco's *Coca-Cola Suzuka Eight Hours* and *Driver's Eye*. Large-size games such as *Arm Champs II* (Jaleco) and *Sonic Blast Man* (Taito) are also bringing in a steady income. Video games that call on combat skills make instant winners and become steady sellers. *Street Fighter II: Champion Edition* (Capcom) is still a hit, as is *Art of Fighting* (SNK), *Shogun Warriors* (Kaneko/Sammy), and *World Heroes* (Alpha/SNK).

Capcom On Top Again

The top three games sought out this term are *Adventure Quiz Capcom World 2* (Capcom), *Macross* (Banpresto), and *Super World Stadium '92 Heavy Fighting* (Namco). While location may be a discriminating fac-

NEW SPOT

< CIRCO PORTO >



This month, we take you to the beautiful port city of Kobe, located in the Kansai area of Japan, for the grand opening of the Kobe Harborland complex. Opened on October 1st, this 230,000 square foot complex is the areas most exciting entertainment area. Konami Inc., whose headquarters is in Kobe, has joined the new project by offering Circo Porto, and Sega Enterprises has also opened Sega Kobe Kamome Kan.

Konami's Circo Porto is actually located on the 2nd through 4th floors of the Mosaic, a large-scale open mall done up in a classical French architectural style. The mall's exterior dimensions are 25,000 m^2, 1160 m^2 of which is taken up by Circo Porto. Within the complex there is a food bar and a fully stocked bar.

< KOBE KAMOME KAN>



On the third floor, popular attractions such as the D^{3}BOS and Lethal Enforcers draw fans. On the fourth floor, token games such as blackjack, as well as roulette tables can be enjoyed. This is the first such location of its type in Japan, and management predicts sales of Y1 billion ($8.13 million) after two to three years.

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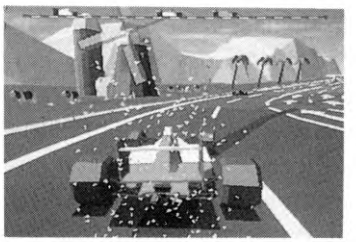
<SEGA KOBE KAMOME KAN>
ADD: 1-8-1 Higashikawasaki-cho
Chuo-ku, Kobe-shi
TEL: +81-78-360-6170

Video game

1. Street Fighter II Champion Edition (Capcom)
2. Adventure Quiz Capcom World 2 (Capcom)
3. Art of Fighting (SNK)
4. Super World Stadium '92 Heavy Fighting (Namco)
5. Macross (Banpresto)
6. Shogun Warriors (Kaneko/Sammy)
7. Super Shanghai (Hot B/Taito)
8. Street Fighter II (Capcom)
9. Blandia (Allumer/Taito)
10. World Heroes (Alpha/SNK)

Cockpit

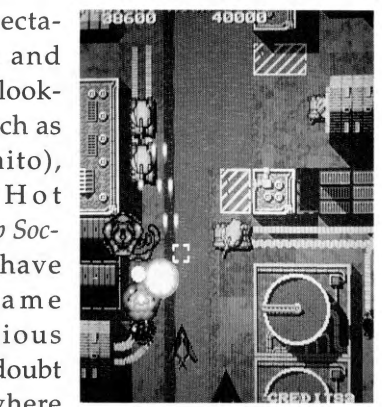
1. Virtua Racing (Sega)



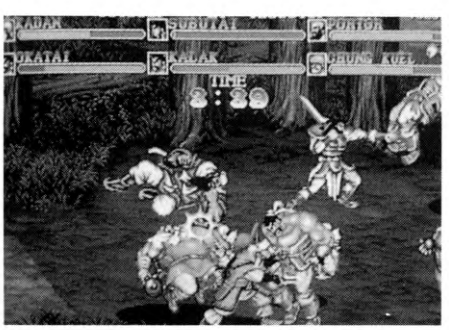


2. Coca-colaSuzuka 8 Hours (Namco)
3. Sonic Blast Man (Taito)
4. Final Lap 3 (Namco)
5. Arm champs II (Jaleco)

tor, all three hold expectations for a long run and should be well worth looking out for. Games such as *Blandia* (Allumer/Taito), *Super Shanghai* (Hot B/Taito), and *Seibu Cup Soccer* (Seibu Kaihatsu) have maintained the same income as the previous term and there are no doubt a number locations where these games have a regular following that have exceeded expectations. New games are gradually starting to make an appearance in various locations and these include *F/A* (Namco), *Soldam* (Jaleco), *Arabian Magic* and *Riding Fight* (both from Taito). Other new games that we haven't seen yet this term include *Galmedes* (Visco), *Sky Alert* (Metro), *Bakuretsu Breaker* (Kaneko/Sammy), *Viewpoint* (Sammy/SNK), and *Grid Seeker* (Taito). Shooting games seem to prevail and it will be interesting to see how much territory these games can win back from combat skill games with the promise of fun, excitement, and fulfillment as their weapon. Many operators are also eagerly awaiting the debut of games whose reputations have proceeded them, such as *Tenchi O Kurau II [Warriors of Fate] Fight of the Red Wall* (Capcom).



F/A *(Namco)*



Warriors of Fate *(Capcom)*



Viewpoint *(Sammy/SNK)*

As for pinball machines, *Lethal Weapon 3* (Data East), and *Super Mario Brothers* (Gottlieb/Taito) were popular. Dragons seem to be the theme for many of the games due for release next year, such as *Dinorex* (Taito), *Cadillacs & Dinosaurs* (Capcom), *The Great RagtimeShow* and *Dragon Gun* (both from Data East). But, then again, it could be just coincidence! ■

What's Out

- in Japan -

A partial list of recently released products for the Japanese market.

Deru Deru Derujan

Banpresto



An invasion of mean aliens is imminent (again) and it's your duty to protect the home planet in this gun/carnival game. Enemies come down four slots and you must shoot them back to where they came from. If a player scores more than 30 points during a game, he/she gets one prize. If a player scores more than 40 points, he/she gets three. On sale since the end of November.

Dragon Gun

Data East



Using DVI technology, this is one of Data East's most technologically advanced gun games. Unveilied at the JAMMA show this past August, the player must gun down hordes of heinous creatures and villians. The gun unit itself is shaped like a dragon, giving the player a new twist on a common genre.

Irem Madonna

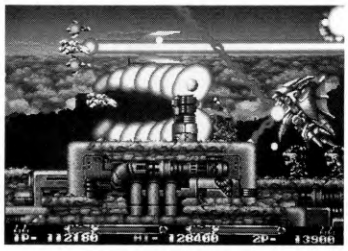
Irem



A token game that is housed in an upright **cabinet** with a 25-inch flat monitor. The screen uses large, easy-to-understand graphics and the unit itself is easy to maintain. On sale now.

R Type Leo

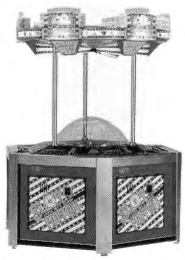
Irem



The third game in the R Type series from Irem. The game is a horizontal scroll action game that is a supplementary story to previous games in the series. The player can go on the attack by moving the joystick left or right, then make a "pursuit" to get more energy for the next round of fighting. On sale since November.

Slot Match

Jaleco



A six person simultaneous play slot token machine. Equipped with several modes of play for exciting action. The normal mode is similar to the company's previous Megaslo unit. The "High-Odds" function features payouts of 2x to 5x over and above the amount bet. Lively BGM plays throughout the game. Up to 12,000 tokens can be won at once. On sale since November.

Wild Pilot

Jaleco



A two person simultaneous play flying/shooting game that takes you back to the barnstorming glory days before starships and jet planes. The pilot(s) can perform a variety of mid-air maneuvers while dogfighting against a deadly foe. At least in Japan, both players can play on one coin. Scheduled for a December release.

Ultra Shot

Kato Seisakusho



A pachinko (Japanese pinball) prize game that pays winners in stuffed animals rather than in little metal balls. Like your average pachinko unit, there are several slots that the player can aim for, but if the player hits the "lucky slot," he will be awarded a cute, stuffed, furry companion. On sale since November.

Birdie Putt

Konami



A small, elevated golf game that lets players bone up on their putting skills indoors without breaking the furniture. The playfield automatically changes to create three different holes, each with its own different "terrain." If the player clears all nine holes within a set limit of putts,he/she will get either a prize or a free game.

A Gottsuee Kanji

KU Systems



A pachinko token prize game. Intended for adult audiences, players try to complete a design within the game by skillfully aiming their balls. If the design is completed, three holes open up and if one of the player's balls galls into those holes, the player scores. Play ends when the player has no more balls.

Crazy Cat

KU Systems



A prize-dispensing mechanical slot token game. Players simply make a bet and the wheels start to spin. If the player wins a game while the credit light is on, winnings can multiply. If the player gets over a certain point level and gets the bonus "character," he/she will get a prize in return. On sale now. Go.

New Lucky Target Mini

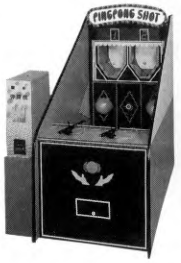
Kurita Giken



A four person simultaneous play cork shooting carnival game. Three different kinds of prizes, each row increasing in value, are drawn across the target area from left to right and players must try to shoot down their desired prize. Difficulty increases in relation to prize value. On sale since November 1st.

Ping Pong Shot

Kurita Giken



A two person simultaneous play cork gun shooting game. As opposed to most games, where the prize itself must be shot, players here must shoot floating ping pong balls. If the player hits a ball, it trips a lever and a prize is released. Standard features of the unit include automatic gun reload. On sale since November 15th.

Button Hayaoshi Senshu Ken

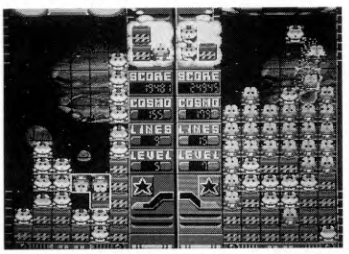
Namco



The ultimate reflex/skill game. With a simple panel using only one push button per player, two players face off and try to see who can be the first to push the button 12 times. The loser's hand immediately gets hammered when a plastic mallet swings down from a neutral position. On sale from December.

Cosmo Gang: The Puzzle

Namco



Those cute, rascally energy-hungry Cosmo Gang characters are up to mischief again, this time in the form of a puzzle game akin to *Tetris* or *Columns*. Here, the Cosmo characters fall into place on a 6 x 13 character playfield. Two players can play and if one player erases more than four Cosmos, they will reappear on the opponent's side.

Dynalive

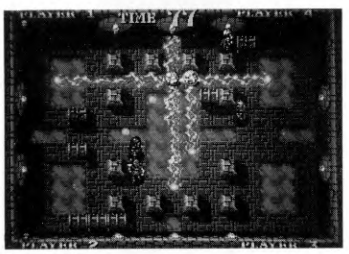
Namco



A sleek, modern four-player cabinet designed and sold by Namco for 15 inch monitors. Made of durable, scuff-resistant plastic, the cabinet has been designed to withstand years and years of use. It has four coin slots and is available in a variety of exciting color schemes. On sale in the middle of December.

Exvania

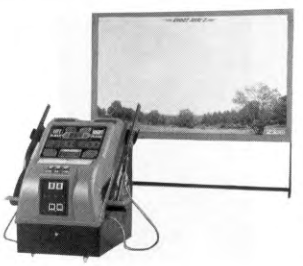
Namco



A four person simultaneous play bombing game. The player looks down on the action from above and guides a little character around a medieval European fortress, setting off bombs and creating carnage. The player must pick up power up and magic items to defeat his/her opponents, who are collecting power up items as well. On sale from the middle of December.

Shoot Away II

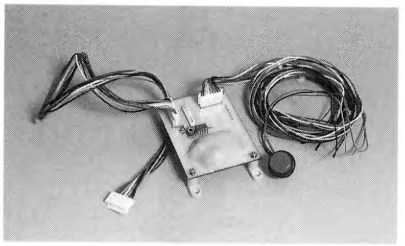
Namco



A remake of one of the more famous clay-pigeon shooting games ever made. On a large projection screen, lighted skeets scoot and soar in front of the player, who tries to blast them into oblivion in flight with light-emitting shotguns. The game can be set for one of three difficulty levels: beginner, intermediate or advanced. On sale since the end of November.

Small Circuit Board

Nihon Lease Corporation



A small board that can fit into almost any cabinet in any location. The board has been constructed for durability. It also has an LED connector so that operators can retrieve data from the board.

Virtua Racing Twin

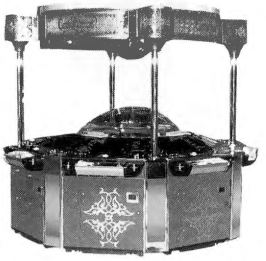
Sega Enterprises



This game was featured in the *What's Out* section of the October issue of JAM. A two-seater version of the new, popular VR racing game from Sega, the monitors are placed side by side. Up to four units can be linked together so that a maximum of eight players can race at the same time.

Casino Venus

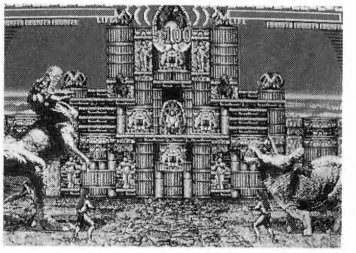
Taito



A large, 8-person simultaneous play roulette token game. Each player has a five-inch monitor, and can move chips and make bets with a trac-ball. After 10 games, a player can call up a graph function that will give the player valuable data about his/her performance. On sale now.

Dinorex

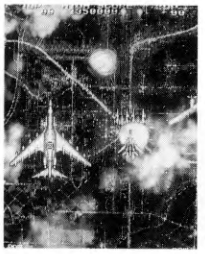
Taito



This is the 20th F-2 series release. On sale since October, it pits the baddest of the prehistoric bad against each other in a one-of-a-kind showdown to the finish, in front of a live and predominantly human audience. The battling dinosaurs can pick up three kinds of power up items that will increase their chances of victory. Comes with a total of 7 regular fighting stages and three bonus stages.

Grid Seeker

Taito



A vertical scroll shooting game that uses weapons found in the arsenals of most major military powers today. The player has a choice of flying either a bomber, a combat helicopter, or a fighter jet. The flyer then pounds his/her way through seven stages of scorched Earth, gaining power items during the mission. A "Helper Unit" prevents firing upon friendly troops. On sale since November.

Monomane-Kun

Yuei



A game the kids will love to monkey around with. This friendly game of chance features a happy sitting simian who controls a numbered dial similar to a roulette wheel. If the wheel stops on the player's number, he/she gets a prize. If not, the player is urged to try again. Prizes can be in either 45 or 75 mm capsules. On sale now.



ATLUS

Mr. Naoya Harano

President, Atlus Corp.

Atlus is a relatively new company in the amusement industry, established only six years ago. Last year, it tallied sales of Y3.07 billion ($24.95 million) and ordinary profits of Y280 million ($2.27 million). The company has all the makings of a real up and coming player in the industry and JAM caught up with its president, Mr. Naoya Harano, to discuss what Atlus has in store in the future.

JAM: This past March, Atlus completed its sixth fiscal year in the industry. How did it go?

MR. HARANO: Our overall sales totaled Y3.3 billion ($26.8 million) this year, and on that, we made an operating profit of just under Y220 million ($1.78 million).

JAM: I read that your profits for last year were double what they were the year before last, even though you had what looks like a short break during the year.

MR. HARANO: It looks that way, doesn't it. I think it was mostly due to the fact that we were late getting our Super FamiCom home computer software out on the market.

JAM: Speaking of home game software, Atlus started out in 1986, right during the peak of the family computer boom in Japan? Then, after that, there was a similar fad in America. All in all, it seems that your company prospered thanks to some very excellent timing over the past six years. What are your thoughts on this?

MR. HARANO: In business, certainly timing plays a part. If there was no such luck, business just might not go as well as it has. At the same time, I also think the ability of the company to run on its own was very instrumental in its success. Of course, there's also the possibility that we were the fortunate recipients of divine protection, as well (Laughs).

JAM: Luck, timing and all aside, there has to be some skill involved. Every time Atlus ventures into something, be it billiards or whatever, it turns out to be a success.

MR. HARANO: More than skill, I think we've been supported by the operators in the field. We enjoy a close relationship with most of the customers and arcade operators around the nation. For example, if we have something new to propose, they listen to what we have to say more than other operators would.

JAM: How do your home games, commercial, overseas operations, and locations compare in sales?

MR. HARANO: Sales for home software over this past fiscal year have just about struck the balance that we've been looking for. Right now, commercial and home software sales combine to make about 50% of our total game machine purchases account for 30%. Location revenue comprises another 10% of our total, and karaoke machine sales and other software comprise the remaining 10% of our income.

Of this, I believe that sales of consumer software have risen the fastest. Last year, we were late and ended up just marking time with Super FamiCom system software, but this year, I think we're going to see quite a bit of improvement in that. Additionally, this past October, we launched *Shin Megami Tensei*, for Super Famicom software. It's a home version of our *Megami Tensei*. This game has drawn legions of fans in the past and there's no reason not to think that it will enjoy healthy sales in the Super Famicom market as well.

The Overseas Market is Tight

JAM: Taking a look at the way things have gone recently, other manufacturers have stalled because of difficulties related to the switch over to Super Famicom in the overseas market. How has Atlus dealt with these problems?

MR. HARANO: Rather than blaming the economy, I

think companies are having a hard time of it because consumers have been demanding a higher quality of software than they have in the past. For an example, look at Nintendo. They have close to 160 companies that they sub-contract to and it accounts for almost one-third of total home software sales. There are more and more firms producing software now, and with that, it's only natural that sales, capital procurement, R&D and business conditions in general will get a little tight.

We first started our own software development section about four years ago. Since then, we've been selling our games through the larger companies in the industry, albeit not under our name directly. We have about 50 titles out on the market, even though there aren't that many people around who know our name. We gained a lot of experience while developing these games and we applied what we learned in producing *Megami Tensei*. That's one of the reasons it was a big hit for us.

JAM: Over the past four years, do you think that the software Atlus has developed is competitive?

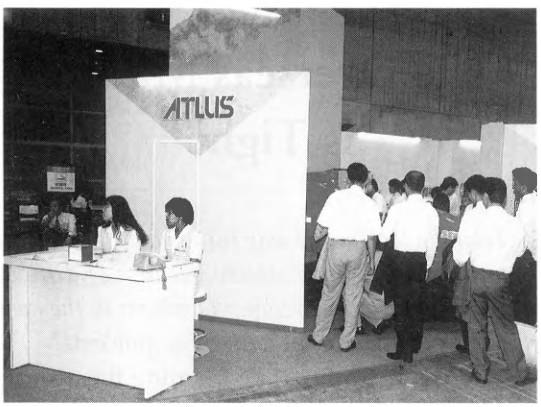
MR. HARANO: Of course. Naturally, we're going to have to strike a balance with other enterprises within the company. We have been and we will continue to put a lot of emphasis on our home software market, and we plan to put out about four to five titles a year from here on out. This year, incidentally, we plan to release three more games.

JAM: In the commercial sector, you've already released your first game. When do you think you'll release your second piece?

MR. HARANO: Both the commercial and home markets have their respective difficulties, but we are strong in the field of development. Even though we don't often have a sales plan to follow when marketing these units, we do well, but I think it will be a while before we can relax our selling procedures.

JAM: Are you going to change any of your sales routes?

MR. HARANO: As I said earlier, we have the solid support of and close relationships with many distributors. Naturally, it would be impossible to try and cover the whole nation ourselves, so we rely a lot on the cooperation of various companies across the country.



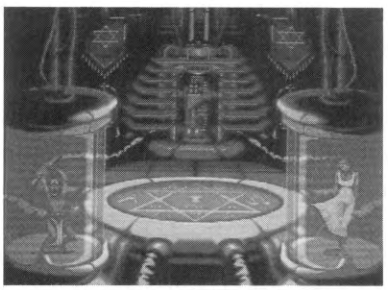
A Profitable American Subsidiary

JAM: In January of last year, an American subsidiary of Atlus Software was set up. How has that been working out.

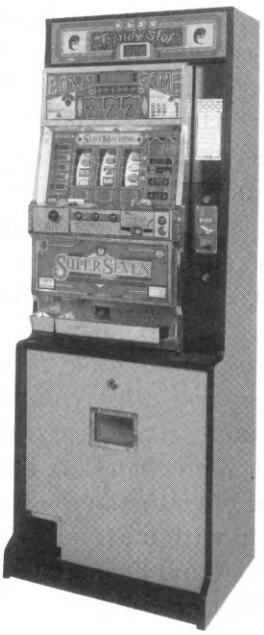
MR. HARANO: It's working out quite nicely. We've been able to make a profit of around $130,000 since it was opened. The reason for this profit is that we select our American representatives very carefully. Half the time, companies deal through our reps, and half the time, they deal with us directly. By doing business like this, we were soon able to get a contract with Toys 'R' Us, the giant toy chain.

JAM: On August 1st of last year, Atlus set up an overseas sales section in Tokyo that deals exclusively with personal computers and peripheral units for the Southeast Asian and European markets. How has that venture gone?

MR. HARANO: Recently, the market for personal computers has become increasingly tight, so we want to make sure we have enough software in circulation for those who have bought our PC units. In order to do this, we've had to increase production of our own software. From what we've seen of the European



Shin Megami Tensei



Trendy Slot



Atlus' US subsidiary

home computer market, we are confident that market will continue to perform well.

JAM: Additionally, Atlus opened up six arcades across the country last year. Are those progressing as planned?

MR. HARANO: In October of this year, we opened up two locations each in Kanagawa and Chiba prefectures, and one more will start operations next March in Saitama prefecture. Including these, we will have eleven arcades open.

With running these large arcades, we hope to learn a lot about location management. At the same time, we're encouraging individual and unique management ideas. Additionally, when we put an employee in charge of a location, it gives him a sense of responsibility and becomes a kind of training for him.

JAM: When you opened those entertainment centers last year, you have chosen local people to run them, giving the arcades the feel of a kind of "franchise." It seems like a good idea, but has it worked out in the field?

MR. HARANO: You'll have to remember that we are a very large company and, as a result, we can keep in close touch with all of operators. We can easily communicate with them on whatever plans they may have and we can offer information and advice in return, be it with capital, management or other business matters. We have a concrete communications structure. Also, we have recently received a number of inquiries about franchise possibilities.

It would be nice to be a large company in the field, but although we would be in a better financial position, I'm afraid that we would get out of touch with the operators. Small operators do encounter considerable difficulties in getting financial support. Moreover, our problem lies not only with the large companies of the industry, but also in the fact that companies unrelated to the amusement industry are getting into the business. We have to make sure the small operators are not vulnerable in the meantime.

Atlus: Not Just Video Games

JAM: I'd like to turn your attention now toward karaoke. As you know, the market is virtually saturated at the moment. What do you see for the future of karaoke?

MR. HARANO: Well, right now it is tough to be in the karaoke business. Atlus is showing satisfactory results, but we're not aiming to become a karaoke manufacturer. If we wanted to go in that direction, we'd set up a separate section with a separate office. The reason we got involved in karaoke in the first place is because we thought it would be a valuable addition to our entertainment lineup.

Recently, we've been very involved in golf simulators. This is a field with a lot of growth potential. We're not a company that will only do games, or only do karaoke. We are involved in both. We must become a diversified company. It is very important to use the resources we have as effectively as possible.

JAM: Recently, Atlus opened a golf simulation area in one of their locations. Usually, these locations take up quite a bit of space, but Atlus' is smaller than the rest. What's it like? Has any sense of the game been compromised to accommodate the smaller space?

MR. HARANO: In trials in locations in Tokyo and Kanagawa, many people were enthusiastic about the game. Many independent locations in which it was installed reported that complex, realistic elements of the game were very interesting.

JAM: Atlus is also sponsoring radio programs across the country. Could you tell us a little about that?

MR. HARANO: We sponsor a program called "Ryusei Yaro no Game Gyokai Ura Joho" that is broadcast on Radio Kansai every Friday evening. One of our employees is the program's DJ. We talk about the various problems one encounters in producing a game and we have interviews with production managers who have overseen development of some of our hits. It's really quite a popular program.

JAM: What you expect for the remainder of this year?

MR. HARANO: Basically, I think most sections of our company will see a rise in revenue this year. Additionally, our commercial video game sector, which we have just started, will increase. In order for this to happen, we must overcome the personnel shortage we are now suffering. We also must make the personnel we already have more efficient.

As for definite numbers, I would like to see us clear Y6.2 billion ($50.4 million) in sales and Y600 million ($4.87 million) in operating profits. ■



ACC 中外

Mr. Shumei Kaji

Vice President, Chugai Associates.

Chugai Associates is known in Japan as a location operator. The company centers its activities on three different types of arcade operations. As of March of 1991, sales stood at Y2.8 billion ($22.8 million). This is a 40% increase over the previous year. In addition, Y212 million ($1.7 million) was declared as net profit. With such figures, the company has solidified its reputation among local operators. We recently sat down with vice president Shumei Kaji to talk about where the company has been and where it is headed.

$32.4 million in sales

JAM: First of all, I'd like to ask about sales figures for the period that ended in March of this year.

MR. KAJI: Gross sales were Y3.98 billion ($32.4 million), roughly a 40% increase over 1991, and our net earnings were Y358 million ($2.9 million). This represents a 69% increase over the previous year.

JAM: In 1990, Chugai Associates celebrated its twenty fifth anniversary by creating a company slogan: "Thinking About Basic Ways To Make Tomorrow More Interesting." This showed that the company was dedicated to changing it's image. This process began two years ago and I would like to ask you how those changes are progressing and what the situation is like at present.

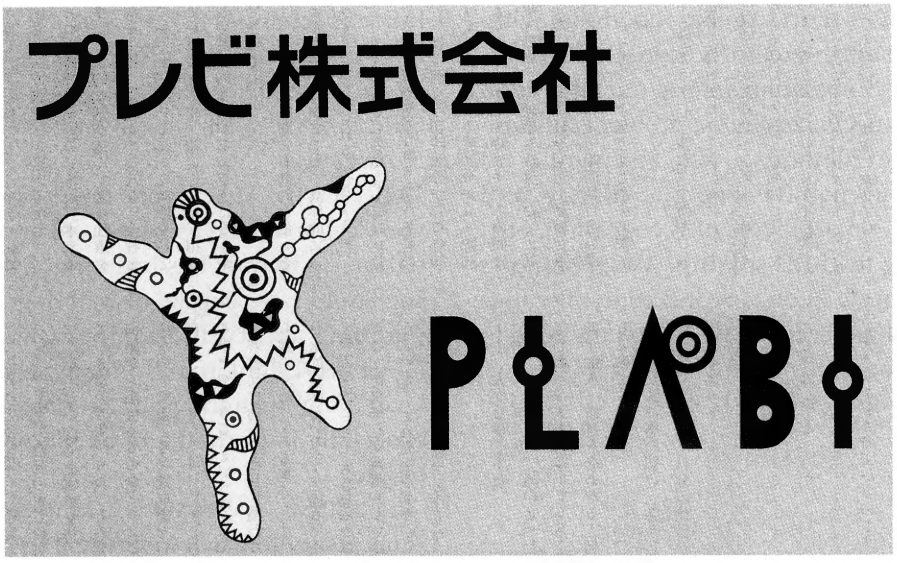
MR. KAJI: Our company and management philosophy is based on this principle. The problem, though, is one of how do we effectively carry through on our slogan and turn an abstract idea into concrete action? I think that this is most important to consider. To begin with, we had to create a philosophical structure that could be seen, both by those within the company and those managing the arcades. Next, we declared that this was company policy. We then decided to keep repeating the slogan until it became part of the employees' subconsciousness.

We did that for about a year. In July last year, the office of that time began to see a change in attitude after Mr. Takano, who was acting as Senior Managing Director, passed away. Following that, the pressure of the workplace began to rise, and the workload also became greater. Therefore, it became important for everyone in the company to became more positive in their attitudes towards work and responsibility. With this, I felt that we could begin to see a revolution in their consciousness.

This year, our goals were to achieve the establishment of organizational operations while continuing our inter-company revolution. We have decided that we our going to change our company name in April of next year. The new company name will be Plabi Co. Ltd. In accordance with this change, we will also revise the company logo, to make it more in line with our new company policy.

Since the changes vis a vis the company name and corporate policy have been decided upon, the next step is to rethink the actual management methods of the company, and to make the work of both labor and management very clear. To accomplish this, we are going to be putting out a basic manual in April of next year that will hopefully cover these changes.

JAM: "Hospitality" has become key factor in whether or not businesses succeed, and we are now in an age where the humanity of employees and the company itself is being questioned by many. With these concerns in mind, Chugai Associates is working towards opening a training center. At present, how is this project coming along?



The new company logo. A modern design for a modern business.

MR. KAJI: We completed construction for this center during this year's Golden Week holiday period *[End of April to the beginning of May-Ed.]*. We also named the center the Plabi Training Center, after our new company name. We began training our employees this April. We received help from a consulting company and have already sent 12 section chiefs to undergo training.

In addition, we are working with YMCA groups and the local Chamber of Commerce, doing a number of conferences and training.

JAM: Next, I'd like to ask about the locations themselves. In your company's case, you have three basic types of amusement operations. The first, which you call "Jamboree," are those locations which are located inside shopping centers larger than 165 m². Next, you have around 15 Plabi game corners, which are around 50 m², and finally roadside locations, known as "Joycom's." I would like to ask you how the development of these Joycom's and suburban locations went last year?

MR. KAJI: Last year, we invested large amounts of capital in a number of large arcades. Therefore, if you just look at the number of new locations that we started up, it is not all that great.

JAM: In that case, the most important reason for the Y1 billion ($8.13 million) increase in the previous period was due to the fact that from the autumn of the prior year, until the year's end, two Jamboree locations and four Joycom's locations opened up, meaning that the contribution of these locations was quite large.

MR. KAJI: Yes, but in addition to that, we also put some effort into revamping our existing locations, and I think that this contributed to the increase. Prior to this, we didn't really invest a lot in the locations, but as of last year, we have been spending more and more on machines and interior design.

JAM: Compared to the year before, Jamboree and Plabi have seen an income increase, have they not?

MR. KAJI: This depends on the scale of measurement that you use. At the smaller locations, the rate of increase declined. However, the larger locations saw continued expansion.

Pantomime Pony Shows

JAM: In addition, as far as sales and promotional plans are concerned, we hear that your company holds a number of game competitions, etc.

MR. KAJI: Every summer, we hold a "High Score Contest" at the Joycom's locations, and this year marked the fourth year for this event. We have eliminations at every location. However, the number of finalists at such a contest usually ranges from 50 to 100 and there's no telling how many people will make it to the final elimination match.

At our Jamboree locations, we are now in the process of initiating a number of events to attract customers, including having pantomime performers go around during the peak hours.

JAM: However, pantomime takes special skills. Does this mean that you have people in your company who have the ability to do this?

MR. KAJI: Yes, we have an Event Planning section in the company. In addition to this, we have a master of ceremonies and a balloon show. We also sometimes entrust other companies to manage these performances.

JAM: At the time of your 25th anniversary, you set an ambitious goal of becoming a public company by your 30th anniversary. Two years have passed since your golden anniversary. How is progress towards this goal coming along?

MR. KAJI: We have set up a preparation room within the operations management division. We are discussing what needs to be done among ourselves and with a lawyer that specializes in the problems of capital and management methods. Also, as I mentioned prior, our company's name is going to change, and there are problems on all levels of recognition, etc., that we are moving towards solving. We are aiming to improve the strength of our organization. Because we believe that will materialize, we are on the road to building a public company. All of this organization's employees, including myself, truly wish to bring revolutionary changes to our jobs.

JAM: Even if sales and standards continue to become larger, it's important for the organization's employees to realize that they too have to improve if the company is to become larger.

MR. KAJI: That's very true. For example, even if you decide to increase the number of locations, the situation up to now has been that even if only one person could raise capital or had negotiating power and planning ability, the company could still function. However, I think that from now on, this kind of high-level planning and organizational ability will become especially important and be required more than ever before.

In addition, to create these kinds of establishments, it is necessary for each individual to have made a strong effort on behalf of the organization as a whole. This way the work load gradually disappears and one person's load becomes lighter.

As far as the improvement of the individual is concerned, it is necessary to create new customs and habits, where every day, each employee thinks about the question, "Shall I change my work methods just a bit?" If you reexamine your job and how you are doing it, I think that you can begin to improve yourself. By doing these simultaneously, our sales will naturally expand.

JAM: So this was the purpose of the new training center that you built?

MR. KAJI: At the training center, we take those ideas about new management techniques, test them, and then consider their application to the workplace. We also monitor our work as it progresses. We have a plan for the entire company, and alongside of that, we want the work to progress as we monitor it.

JAM: You have spent the last twenty five years centered on the operation of amusement locations. From individual stores to an emerging, consolidated organization, there is still something of a gap. How to bridge this gap is a question that must be quite troubling.





(Above) Scenes from a Joycom's location. (Below) On Oct. 30th, the "Kokoroko" amusement location opened.



Time management emphasis

MR. KAJI: The problem is that we have to avoid the so-called "big company" disease. Up to now, we have had something of a "top-down" approach. I think that this will also be necessary in the future. But those on top can't check everything. All the employees have to think the same about checking each other's work. Otherwise, these follow-up procedures have no real meaning. Having everyone speak the same language is one method of establishing organizational strength.

Next, there is the use of time. Time must be avail-

able for both routine work and work that comes in unexpectedly. Announcements, contacting people, conferences and such are basic things that we have to manage efficiently in order to upgrade our performance.

JAM: What kinds of concrete methods are you going to use to make time use more efficient?

MR. KAJI: First of all, we came up with a time schedule that that attempted to give everyone private work time. For example, from 10:30 to 11:30 a.m., 1:30 to 3:30 p.m. and from 4:00 to 5:00 p.m. are set aside as "work" periods. During these times, there is no internal communication, no conferences, and even the president is not allowed to ask the female workers to make copies. That time is your time, to be used for your own work.

By doing this, people's ways of thinking about time management appeared to change. I think it was indispensable to tell the employees what they have to finish during that time. This system has only just begun, and I think that we still have a ways to go. These methods have seen results in a relatively short period of time, as far as they go, but more than this, I want to have a feeling of substantiality, a sense of personal fulfillment. Where does this feeling come from? From a feeling of success. This feeling of success is something that you must have for yourself. Whether young or old, male or female, everyone can acquire it.

JAM: This sounds rather difficult . . .

MR. KAJI: Yes, it is. Even in a situation where everyone in the company is friends, it would still be difficult. It is especially difficult in a situation where you have to coordinate hundreds of people. I think that there is no doubt if everyone is speaking the same language and exchanging information and contacts, your own work will become more and more responsible. As a result, the organization as a whole will improve.

JAM: This is a challenge that cannot be expressed in numbers. On top of this, you must develop yourselves along the lines of a public company and take into account the sales aspect.

MR. KAJI: On the other hand, if each individual person develops their own unique abilities, then I believe improved sales figures will follow. At present, there is a feeling of wanting to change something and of wanting to realize the daily work schedule.

JAM: This is a topic that is not just limited to your company, but something that affects not only those in the amusement industry but every corporation. Finally, I'd like to ask about new locations that you have in store for the future.

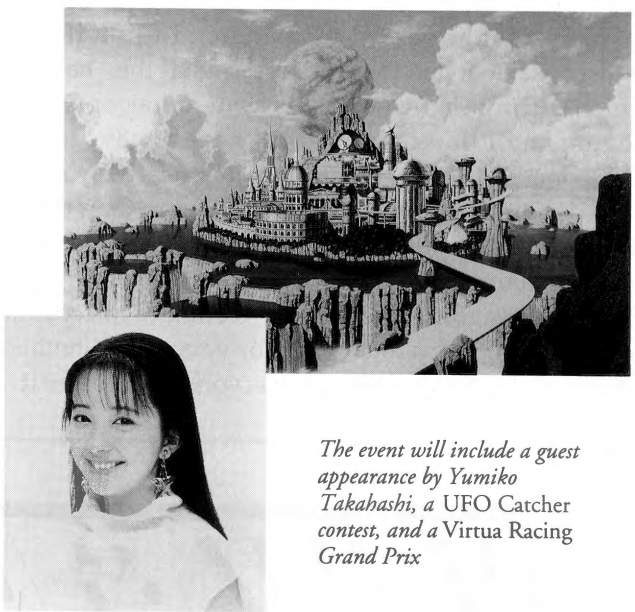
MR. KAJI: We will be opening up a number of new locations next year, specifically next spring, which will hopefully take into account this new planning. It looks like it will be very successful indeed. ■

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JAPAN TRADE JOURNAL

Planet Sega World To Take Place

In order to publicize the potential of the entertainment business and to celebrate sales of 5 million copies of its Sonic the Hedgehog Megadrive game title around the world, Sega is holding a massive Planet Sega World event on December 6th. Targeted for general game users, the event will take place in Tokyo's Ryokoku Kokugi Kan Hall. The hall will be decorated to represent an unexplored planet that promises the high tech entertainment of tomorrow and the machines displayed will range from consumer titles such as *Megadrive* and the *Mega CD* to the latest arcade games such as *Virtua Racing*. The inside of the hall will be divided into three zones: game hardware and software for arcades in the arena complex, game hardware and software for consumer devices in an adjacent hall and third party software in the large hall. The event will include activities such as competitions with *Sonic 2* ❑



The event will include a guest appearance by Yumiko Takahashi, a UFO Catcher *contest, and a* Virtua Racing *Grand Prix*

EA/Victor Music Announce Software Venture

Victor Music Japan, manufacturers of recorded music products and Electronic Arts, an American software company based in San Mateo, CA, announced that they have joined forces to establish a new game software production and sales company in Japan in mid-October. The new company, called EA Victor, has its head office in Tokyo, and was officially established on October 16th and will begin operations in November. The new company was initially capitalized at Y1.2 billion ($9.75 million), the greater share of which was borne by EA. Mr. Steve Salia, head of EA's Development Division, is to serve as the new company's chairman while Victor director and head of the company's New Media Division, Mr. Tsutomu Honda, will take up the position of President.

EA Victor will mainly deal with Japanese versions of game software originally produced by EA in the states. The company also plans to produce original CD software on CD-ROMs and market it in Asia, Europe and the USA. The joint company serves to provide EA with a base in Asia, helping it promote its world strategy, and helps Victor Music's international multi-media planning. Sales are forecast to be around Y1 billion ($8.13 million) during the initial year of operations, rising to close to Y5 billion ($40.6 million) by 1997.

EA previously made a joint venture in Japan in 1988, but was forced to withdraw inside of one year of that agreement. However, since the company has expanded successfully into the European, Canadian and Australian markets, 1991 sales rose 55% over the year before to $162 million. Executives at EA thought that a joint venture would be successful this time since the company had more international experience under its belt. ❑

Sega Invests in China

Sega has begun sales of amusement devices to the Chinese market to parallel the full-scale development of amusement facilities in the country. The recent economic reforms undertaken by the Chinese government have resulted in an influx of tourists from Japan, Asia and the rest of the world. Sega wants to stimulate demand for amusement facilities by targeting these tourists.

The newly opened amusement location in a Shanghai hotel is run by the hotel's management, but Sega supplies the game units and instructions on operation and management. Before the center opened, Sega accepted management and technology trainees from the hotel. The location covers an area of 100 m^2 and features a total of 42 machines, including 35 Sega slot machines and five poker games. As opposed to Japan, the game tokens can be exchanged for gift tokens for use inside the hotel. The hotel is part of a chain that consists of nine hotels in Shanghai itself and 13 throughout China. If the new location takes off and its market potential is proven, it could start a trend that would spread to all the hotels in the chain, multiplying Sega's exports in one swoop.

Sega's involvement in China began with the supply of amusement equipment to a location in Dairen that opened up this past April. The company has since received several requests to help open other centers. However, in consideration of the risks involved due to the state of the nation and uncertainty as to the future of the amusement market there, Sega's involvement will continue to be limited to export, sales, maintenance and control of the equipment itself. If the market continues to expand, though, Sega will consider establishing joint outlets with Chinese or other interests. ❑

Face Offices Get Facelift

Face, an amusement-related company based in Tokyo, celebrated completion of its new company office with a party held on the sixth of October in the new building. The office complex streamlines operations and integrates into the head office functions of the company that were hitherto scattered around several other locations. At eight stories high, the building has a total floor area of 1,156 m^2 on a construction site of 297 m^2. The ground floor features the entrance and a car park, the second floor houses the Amusement Sales Division and Amusement Division of the company. The fourth through sixth floors consist of miscellaneous rooms, the seventh floor houses the Development Division and the eighth floor is for the office of the president, meeting rooms, and the General Affairs Division. On October 5th, the company also opened a Merchandise Center in Tokyo's Adachi Ward in order to streamline product delivery. ❑



The new Face office.

Data East Establishes London Office

Following the expansion of the European home game machine market, Data East has established an office in London. The office began operations October 1st and aims to promote sales of home game software for which demand has suddenly accelerated. The office is called Data East Europe Limited and, acting as an agent, it allows Data East direct access to regional information and to the lucrative European market. The office has also begun market research and sales promotion activities.

Mr. Sangita Verma, originally sales promotion manager of Data East's American subsidiary, Data East USA Inc., has been given the job of running the new office. Sales of home game software and commercial game machines to the European market will continue to be handled by Data East's Overseas Sales Department. ❑

MJM Starts Dealer School

Tokyo-based MJM, Japan's sole manufacturer and handler of casino products has opened up a school to help casino and amusement location dealers. The MJM Casino Dealers' School began its first courses this past October 12.

Felt table games have been enjoying a quiet popularity of sorts lately with roulette and blackjack tables being set up and promoted in upscale, higher market bars as chic, adult entertainment. Sega's Gigo and Sigma's Trell One locations, both of which opened quite recently, feature dedicated casino areas. The amusement industry in general is gradually starting to take notice of the new trend.

MJM has been supporting the amusement and casino market for over ten years. Until now, the company has been sending out dealer instructors for certain times whenever the need arose. The rising demand for trained, competent dealers, though, has prompted the company to open the school.

The school takes trainees through concentrated one week sessions dealing with games, such as baccarat, blackjack, roulette, poker and other common casino games. Running in a continuous cycle, trainees who cannot attend one course for one reason or another can take it when it rolls around the next time. Trainees who successfully complete the four week course receive an original MJM License Card. "The card certifies that the student has completed the course," said MJM president Mr. Takashi Matsui. "I hope that the school will help promote dealer activities in the future." ❑



Dealer School tutor, Ms. Misaki





There are a total of four tables, including blackjack and roulette.

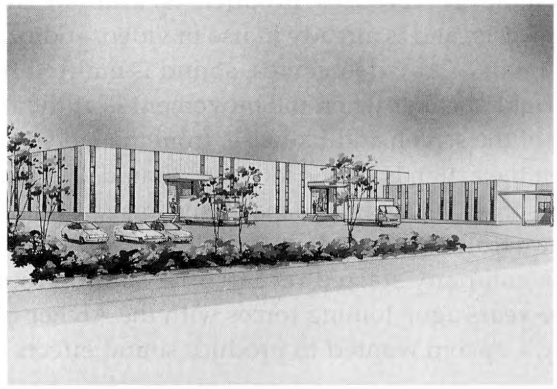
Sega Forms Intellectual Copyright Section

Sega has restructured a portion of its organization in order to reinforce its position on intellectual copyright activities. The Intellectual Copyright Section, formerly the Patent Office within the company's Legal Division, has been granted independent status and has become a section of its own.

Sega aims to increase the number of total personnel in both the new section and the legal division by about 50 people by March of 1994. The company also intends to deploy more lawyers and people with legal backgrounds and qualifications in its workforce. The new section will be better equipped to handle intellectual copyright litigation, such as that which occurred in May of this year, when Sega was forced to pay Y5.7 billion ($46.3 million) in damages and compensation after losing a patent dispute with an American inventor. Sega has also sent reinforcements to its American subsidiary in anticipation of a rise in patent infringement cases and appeals in the future. ❑

Jaleco to Construct Warehouse in Oita

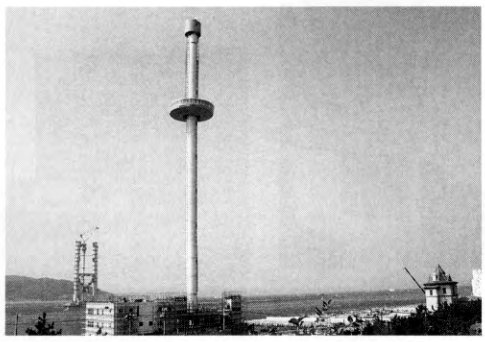
Tokyo-based Jaleco has announced that it will begin construction of a new production plant and warehouse in the city of Nakatsu in Oita prefecture, with the aim of speeding up production while maintaining a high level of product quality. The proposed plant covers an area of 8,300 m² and is Jaleco's first such facility. It will be constructed so that the company can commence in-house production and assembly of video game cabinets that have been hitherto ordered from outside sources. Construction work on the plant is scheduled to begin in January of '93 and it should come on-line that summer, with operations scheduled to start in July. On the factory site will also be 840m² of offices, and a 2,100 m² warehouse. The project is currently estimated to cost approximately Y600 million ($4.87 million). The plant will employ a total of 50 personnel, 15 of whom will work full-time, and is projected to have an initial annual output of Y2,200 million ($17.88 million), with that figure ultimately increasing to Y4,000 million ($32.5 million). Under Jaleco's previous system, finished products assembled elsewhere had to be stored at the company's Tokyo service center. The establishment of a new plant enables the company to reduce storage requirements while expanding its role as an electronics related corporation. Oita prefecture was chosen partially because land prices in that area of the nation are less expensive than in the urban areas surrounding Tokyo. ❑



Artist's Conception of the Completed Oita Plant and Warehouse

Maiko Tower Opens in Kobe

Business operations have been approved for Togo's Maiko Tower revolving observation tower in the port city of Kobe. Constructed of reinforced concrete with a steel frame, the tower has three floors above ground and one below. Opened on November 17th, it stands 119 meters high with a maximum observation height of 100 meters and an external circumference of 16 meters. The first floor of the tower contains an exhibition on the Akashi Straits Bridge with photographs, panels, a model and other exhibits explaining its construction technology in simple terms. The second floor (approx. 730 m²) includes an observation platform and the third floor (approx. 330m²) provides a rest area with a view. The tower will remain open every day except Mondays all year round, except at New Year. ❑



Maiko Tower's sweeping view of the Akashi Straits (photo taken during tower construction)

Nintendo-Sony To Cooperate

According to the October 13th edition of the *Wall Street Journal*, Nintendo and Sony recently signed a pact in Tokyo agreeing to complete mutual compatibility between both companies' game software for the new generation CD-ROM and home-use machines. Sony's US subsidiary that makes and markets game software, Sony Electronic Publishing, is planning to develop software for Nintendo's new CD-ROM unit due for release next summer. This pact marks a powerful marriage of companies in the new-generation CD-ROM market and is likely to create new international standards for these machines. ❑

Development of Stereophonic "Q Sound System" Announced at Press Meeting

Capcom held two press conferences to announce the development of a new video game sound system called the Q Sound System that creates realistic stereophonic sound by utilizing computer processing. Two meetings were held, the first on September 20th at the Tokyo Hilton Hotel, and the second on September 30th at the Osaka Hilton Hotel.

The Q Sound System was developed by the Archer company of Canada. Computer processing locates the sound in a fixed position above, below, left or right, or shifts it between locations, creating a sound close to that of 4-channel audio. The system is compatible with all types of media, including CDs, cassettes, video tapes, stereo TV broadcasts, and FM stereo broadcasts, and is already in use in video, audio, and CM fields. On video games, sound is emitted from the right speaker when the movement is at the right side of the screen and likewise, from the left speaker when the action is on the left side. Sound also moves across from left to right to match the image, giving the game a truly lifelike feel.

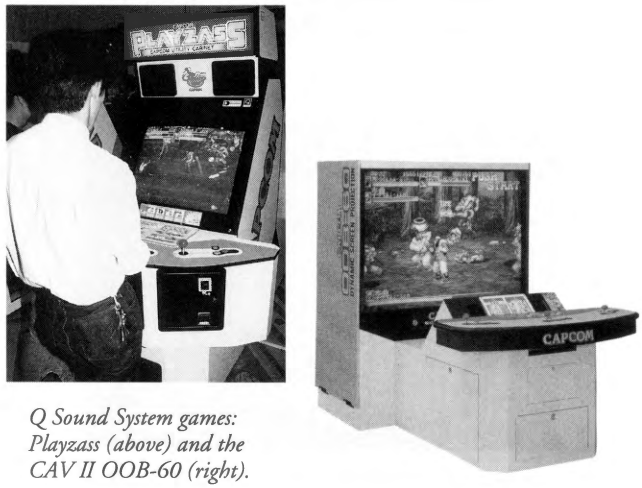
The company started researching sound systems three years ago. Joining forces with the Archer company, Capcom wanted to produce sound effects that followed on-screen movement and redoubled their research to develop this new system. Four types of games were unveiled at the press conference, including two video games employing the Q Sound System, *Tenchi O Kurau II (Warriors of Fate)* and *Cadillacs & Dinosaurs*, two large-size projector cabinets with active servo speakers, the CAV II OB-60 and the CAV II OOB 50 along with the Playzass 29-inch upright cabinet, and the BGS-25, 25 inch cabinet. The meeting also featured sound booths where visitors could get a better idea of the system by listening to CDs and audio cassettes.



At the meeting, President Tsujimoto said, "While a stronger sound system may not be directly related to a game's success, I think it is a vital part of the service we would be supplying the player." Mr. Sakai, Director and Manager of the Planning and Production Division also said, "This new system revolutionizes game product planning and we intend to keep improving it to create advanced games in the future." ❑



Can be sold with this protective case.



Q Sound System games: Playzass (above) and the CAV II OOB-60 (right).

Sanrio Moves in China

Saniro, the famous Tokyo-based character product manufacturer, recently announced that it intends to offer capital and advice to the Chinese government in the construction of the country's first indoor theme park.

The Travel and Leisure Bureau of the Chinese government has set up a three-way joint venture with Sanrio and Thailand's Fortune Group. Construction on the theme park will start within the year and will be completed in the next two years. Initial capital investment for the new joint international company is estimated to be around Y14 billion ($113.8 million), half of which was fronted by the Chinese government, 45% by the Fortune Group and the remaining 5% by Sanrio. The planned site for the 500,000 m² park is in the Pujing district of Shanghai. A modern office and shopping complex consisting of residences, a hotel and a shopping center will also be built in the vicinity. Including the amusement park, the entire cost for the project is estimated to be around Y20 billion ($162.6 million).

Estimates from the Chinese government say that about three million people a year will come to the theme park from outlying areas of Shanghai. The government is promoting the area as a tourist attraction and is striving to attract foreign capital for the construction of a hotel and department store in the area.

Sanrio, with experience in its Puroland location, will apply its knowledge to the Chinese park and will provide total support for the planning, development and operation of the new theme park. The company will also be able to profit on royalties for the use of its trademarked characters in the park. Additionally, Sanrio is involved in the construction of mini-theme parks in Bangkok and Manila that are due to be completed sometime in 1993. The company plans to make Asian theme park planning and development its second business after character merchandising. The Fortune Group of Thailand is one of the country's largest conglomerates, dealing in real estate, animal fodder and rubber products. ❑

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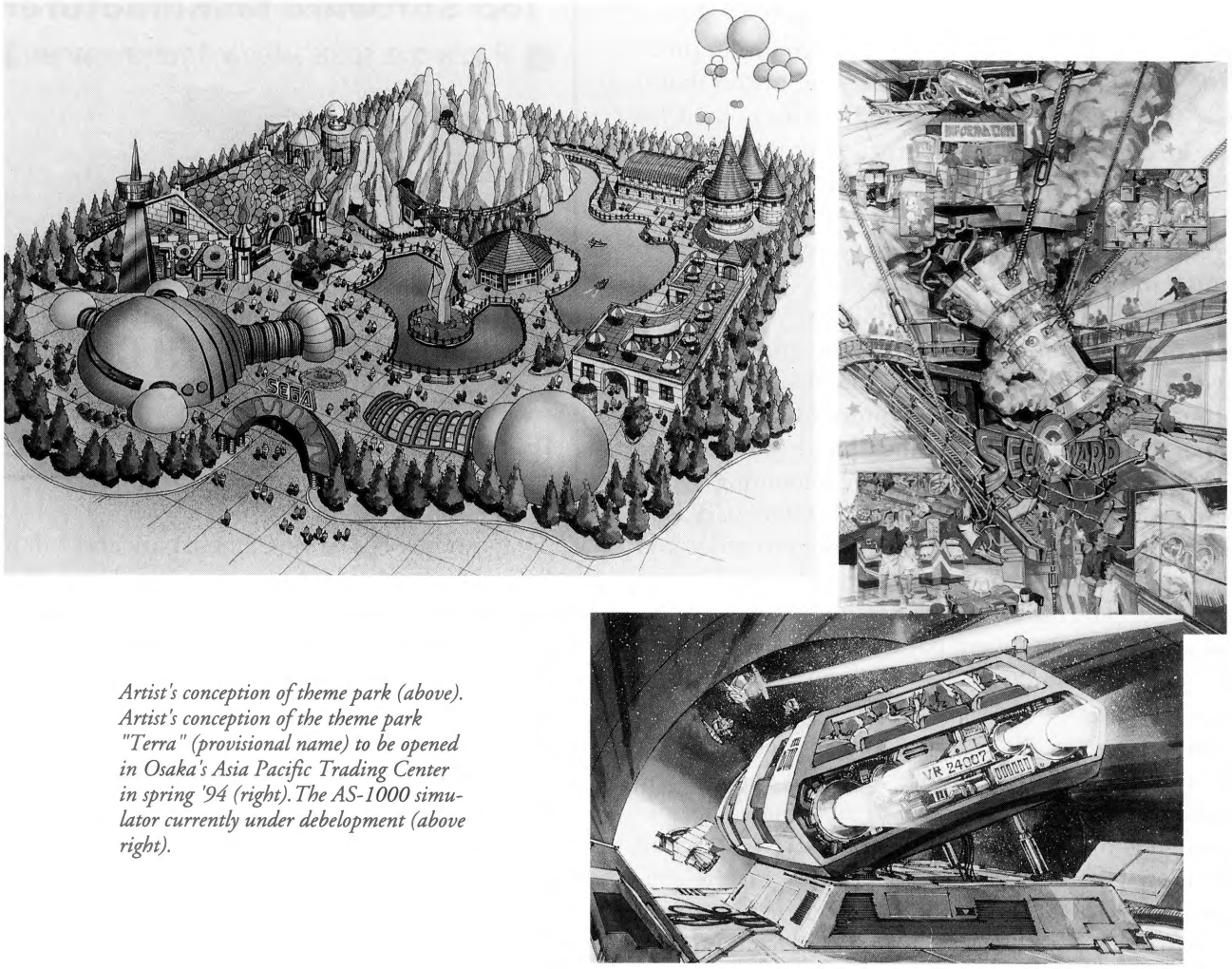
Guam Water Park Presses Onward

Onward Kashiyama, a Tokyo-based manufacturer of ready-to-wear clothing, has developed a plan to construct a theme park on the Pacific island of Guam and will announce details of the basic concept later.

The park, provisionally called the Onward Guam Water Park, will be located on a site that faces Aguinea Bay on the central part of the island. It will be adjacent to the Onward Aguinea Beach Hotel, which opened in May of this year. The 33,000 m² park is scheduled to include a main pool area with wave and running water pools, a sports club, and various restaurants and amusement facilities. Construction will begin as soon as plans are approved and is scheduled to be completed by January of 1995. At the moment, the park is estimated to cost between Y2 and 3 billion ($16.2 million to 24.4 million), excluding the price of the land. The company hopes that 250,000 people will visit the park annually. Construction and land development will be handled by the company's local subsidiary Onward Guam Inc.

Guam, an island in Micronesia under United States governmental jurisdiction, does not have any visa regulations regarding short-term visitors from Japan. Close to 80% of all the island's tourists are young Japanese couples or female office workers. The island's entertainment and amusement facilities are still poor in comparison to Hawaii, leading the company to believe that there is a potential for growth there. ❑

Sega On The Move in VR and Theme Parks



Artist's conception of theme park (above). Artist's conception of the theme park "Terra" (provisional name) to be opened in Osaka's Asia Pacific Trading Center in spring '94 (right). The AS-1000 simulator currently under debelopment (above right).

Currently, the scale of the virtual reality game market has been valued at approximately Y70 billion ($570 million) in Japan and roughly Y1.05 trillion ($8.5 billion) on a global level, with a growth rate that is up an impressive 15% over last year. These figures may seem astonishing in the light of Japan's present economic recession, but it is essential that companies be prepared in the face of such suggested improvement.

Eager to strike while the iron is hot, the biggest manufacturer in the business, Sega Enterprises, has made clear its intention to expand the market within and outside the industry with its influential Sega Virtual Reality Plan. On October 14th, the company held a press conference where the details were announced.

The Sega Virtual Reality Plan seeks to develop an entirely new kind of mini theme park based on newly developed computer graphics equipment and virtual reality technology, thereby also establishing a new area of business for the amusement industry. The impact of this plan should greatly expand the amusement market. Sega executive Mr. Takenori Ogata, expressed the potential the plan holds for the amusement industry, "By using virtual reality and similar advanced technologies, we are targeting a global market expansion of up to Y400 billion ($3.2 billion)."

Since production of simulation machines began, the company has been quick to employ virtual reality elements in its game software and equipment. Its recently released *Virtua Racing* incorporates a newly developed computer graphics board and with this and other achievements under its belt, Sega has already accumulated enough virtual reality knowledge to allow it to press ahead with the development of theme park attractions.

Sega has also teamed up with General Electric, a company with expertise in simulation technology for military use. Sega will help produce a computer

graphics texture mapping system which they plan to release in June of next year. This technology is vital to virtual reality equipment and once the operating system for the jointly developed computer graphics board has been determined, game software development will begin.

With an eye towards theme park development, Sega has established a new Amusement Theme Park Division within the company. The policy of this division is to create theme parks that are more than passive entertainment and require visitors to operate equipment themselves in an interactive fashion. The company is currently developing 15 types of attractions that each incorporate Sega's famed advanced technologies. The attractions will also be mobile to allow them to be rotated amongst different theme parks. Specific plans include the opening of a theme park in the Asia Pacific Trading Center in Osaka by the spring of 1994. In the future, Sega would eventually like to establish similar theme parks in each of Japan's prefectures, with each park covering an area between 3,300 and 9,900 m². ■



Sega's original computer graphics in Megapolis



Scene at the press conference held on October 14th.

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JAPAN AMUSEMENT MONTHLY

From Coin Journal Co.,Ltd.

CONSIDER KARAOKE

Part 16: Home Markets: An International Comparison

Over the past year or so, Consider Karaoke has devoted much of its space to the advice and analysis concerning operations in the commercial karaoke market. This month, though, we'd like to offer a glimpse of a sector of the market that can be easily overlooked if one isn't careful - the home market. Although the home market in Japan isn't being pursued as actively as it was in the late-80s, there are still reasons to believe that it will succeed on a global scale.

In the June, 1992 issue of JAM, we reported on the results of the Japanese government's Leisure White Paper. The survey said that 45 million people participated in karaoke over the previous twelve months, putting it in fourth place out of all leisure activities. Until now, we've been concentrating mainly on Japan's commercial karaoke market, but in this month's issue we'll take a look at the latest trends in the home karaoke market. There are an estimated 40 million households in Japan, and 15% to 25% of these are equipped with home karaoke systems. It is arguable whether these figures are too high or not, but as far as home karaoke manufacturers are concerned, they testify to an extremely sluggish trend. The word sluggish must be seen in light of an industry that boasted delivery of 1,350,000 music units in 1982, with steady sales figures of around 500,000 machines for every year after that. In 1989, when the karaoke box boom hit Japan full force, the wave of popularity for karaoke had Japan dubbed as a nation of "karaoke fans." However, in spite of these apparent trends, demand for home karaoke systems did not rise as rapidly as most in the industry expected.



Extensive research, sponsored by industry leaders, has been carried out to explore the possible reasons behind this. Summarized in the "Karaoke White Paper," data relevant to the home market was compiled by Clarion, the renowned karaoke manufacturer, in 1990. In order to obtain an accurate representation of survey participants, the company broke down purchasers of karaoke systems into several distinct demographic groups. As the results became clear, it was possible to further categorize the participants. According to results released by the company, almost a third, 30%, of all karaoke buyers were in their 60s. This constituted the largest age group. Next, 27% were in their 50s, and 21% in their forties. When classified by gender, male buyers came out overwhelmingly on top at 70%. The survey also asked why people buy karaoke equipment. Among some of the more popular reasons given, 60% listed "for practice," followed by 25%, who said "to help relieve stress." Another 20% said they planned to use their unit "for private gatherings and parties." *[The figures total more than 100% because some respondents listed more than one answer.-Ed.]* Assuming that the data is still relevant for this

year, we can conclude that the majority of home karaoke system purchasers are middle age or older males. Add to this the fact that the main reason for the purchase of karaoke units, according to the survey, is for practice and we can get a clear picture of what looks to be a pretty lopsided user trend.

On the other hand, a karaoke survey carried out by the same company last year found that the average age of karaoke box customers was 24, with almost two-thirds, 64%, of them female. The main purpose was to "spend time together with friends" and there was only a very small adult group interested in using karaoke units for practice.

Looking at the results of both of these surveys, we find two very different pictures of who participates in karaoke. The findings tell us that while Japanese youths like karaoke, they are for different reasons than older generations. Today's younger crowd doesn't tend to purchase home systems. Why is this? There are several reasons that are evident, but the largest single factor seems to be that there are quite a few logistical problems with singing karaoke at home. Japan's housing environment is the main factor behind this situation. A paucity of suitable land makes real estate prices in Japan incredibly expensive, even after the real estate bubble burst two years ago. As a result, most younger families have to save for years to own a house. Younger people who have decided to move out of their parent's house end up living in small apartments with an average floor space of barely 15m^2.



Compared to housing in most other countries, these are highly cramped conditions. It doesn't take an expert, then, to realize that the use of karaoke equipment (i.e.amplifying singing and music) will be regarded as a noise nuisance by others living in the building. On the other hand, the average floor area of a free-standing house is a little better at about 100m^2. Use of karaoke systems in larger, more spacious houses is less likely to bother the neighbors and, given the factors that we previously mentioned, the owners of such houses are more likely to be people in their 50s and 60s.

The vast potential of the home karaoke market in USA, Japan and elsewhere has remained unfulfilled, and until there is a concentrated, serious effort on the parts of all parties involved, it will remain that way.

Another reason behind the reluctance of Japanese youth to purchase karaoke systems lies in their expressed desire to "get together with friends." In most western countries, one can "get together" with friends at one's house for a party. (This is actually the crux of most manufacturers drive into the US market.) These home parties are difficult to hold in Japan primarily because of the logistics surrounding transportation and living conditions in the country. First, living room space in the average house is not large enough to accommodate many people at one time. Secondly, friends and colleagues rarely live in the same immediate area, making it inconvenient to meet at someone's home. The layout and infrastructure of Japanese cities is as such that it is difficult to hold these parties at one's home. Buying karaoke equipment to fulfill this purpose



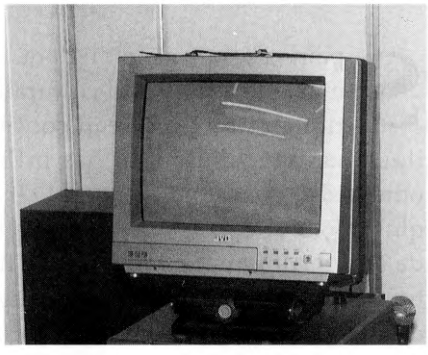
then is, for all practical purposes, out of the question. It is due to these very reasons that the commercial karaoke market, including karaoke boxes, bars, nightclubs, etc. has taken off, while the domestic market has remained virtually flat, despite the karaoke boom.

Now, the reason why we're giving so much coverage to this state of affairs for the Japanese home karaoke system market is because we want to illustrate the dynamics of the home market on an international comparative basis. It is very ironic to read the above cases when you consider that these are the exact same factors at work that make other countries, especially the US and Canada, the ideal market for home and private recreational karaoke. In countries where your average residence is a great deal larger than Japan and where private parties are quite a bit more common, karaoke offers a new style of home entertainment that can be easily set up, operated and enjoyed. Indeed, one of Pioneer's demo discs focuses primarily on home parties as a catalyst for sales. The only remaining variable in the equation, then, is to what extent karaoke has been accepted in each country and how much it is valued. In plain English, how much can the average person afford to spend on it and, more importantly, how much are they *willing* to spend on it. This question is made more difficult by the fact that the economy in most nations is, at the moment, in a recessionary phase.

The home karaoke market is probably one of the best markets to be involved in at the moment because it is still relatively pristine.

There is reason to be optimistic, however. Starting with basics, the concept of karaoke is certainly universal. Almost everybody in every country shares the delight of song, in all its various forms, from rock-n-roll in Chicago to traditional woodwinds in the Middle East, but the problem is whether people are used to singing solo or not. It's one thing to listen and dance to music and quite another to actually get up in front of total strangers and sing. According to research completed in this regard, conclusions point to a trend among people that once they conquer their fear and actually try singing alone with karaoke, they, by and large, are attracted to it. In short, they become addicts. Therefore, it is very important to provide people with the opportunity to have that first experience in a stress free, bright environment, an environment usually found at home.

That leaves us with only the cost factor to deal with. Most home use LD karaoke ranges from around Y100,000 to Y150,000 (in the $1,000 range), but considering the greater number of parties held at home in a country like the US, or Canada, this price does not seem to be too extravagant. If users are not looking for full-scale equipment, by connecting a simple portable cassette deck to a mike mixing amp they can start with a beginner's karaoke set, which retails for an average of Y50,000 ($400). This is an equivalent price to most high quality stereos, televisions or VCRs on the market today. These and other factors lead us to believe that the home karaoke market has a lot of potential on a global scale and is worth pursuing as a viable new business. ■





Spain: Karaoke, Por Favor

By Eric Johnston

This month, JAM travels to Spain, where over the last year or so, karaoke has been gaining in popularity. Although still something of a novelty among its patrons, the number of bars and resteraunts that now have a karaoke system on their premises has increased greatly. At the recent FER show in Spain, karaoke was drawing the attention of those looking for a new kind of fiesta. Will it succeed? Is karaoke something that can spread throughout the country? Join us now for our report on an industry that is slowly beginning to take root.

A Rich Musical Heritage

Spain. Europe's melting pot. With arguably the most ethnically and culturally diverse population on the European continent, Spain's heritage has a richness that has influenced countless other cultures around the world. It is a history of conquistadors, and Columbus, of gold bullion, the Armada and the infamous Inquisition. It was in this country that Islam and Christianity struggled for supremacy and where Arab and Roman cultures mixed to produce great works of art, music and dance. The flamenco, a form of dance/music that is said to have originated in the Andalusian region to the south, has a definite Eastern influence. With its passionate rhythms and movements, this is perhaps what many think of when the topic of conversation turns to Spain's musical heritage.

Now there appears to be a new musical movement on the horizon: karaoke. With the recent Barcelona Olympics thrusting both that city and the country into the limelight, it should come as no surprise that more and more businesses are taking a look at the "karaoke option" and the potential for karaoke in Spain. As with many European countries, the biggest problem at the moment seems to be the lack of available software. Pioneer and Nikkodo both produce Spanish language software, but not in nearly the numbers that English-language software is available in. Nevertheless, in

Barcelona alone, there are around ten locations which offer karaoke. Admittedly, a few of these are Japanese restaurants, whose customers are Japanese businessmen in town for a few nights and looking for a little home cookin' and entertainment.

At The FER Show, Karaoke Received A Warm Response.

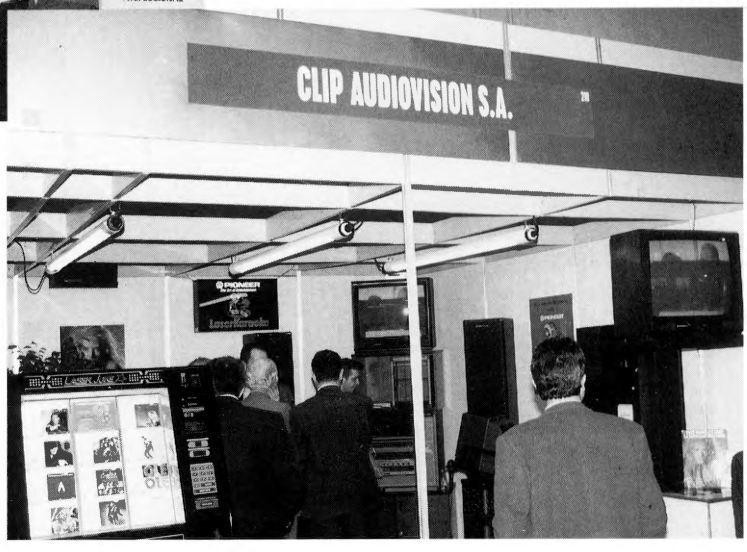
Yet, at the moment, karaoke seems to be catching on with the natives as well. At the recent FER show in Barcelona, there were a total of three companies that had karaoke on display. Two of the three had karaoke units set up and running and were drawing a fair amount of curious onlookers. At Karaioka de Diversion y Espertaculos, there were a number of JVC machines set up on display. This company is the official distributor of JVC karaoke hardware (CD+G) and also handles software from BMB Nikkodo and Pioneer. According to Mr. Joaquin Granel, Commercial Director, karaoke first arrived in Spain around two years ago. Mr. Granel said that his company was founded in August of this year to take advantage of this burgeoning trend. As this was the first FER show that the company has exhibited at, its a little hard to make comparisons, but there seemed to be a number of people who expressed interest in this new musical form.

Over at a company called Clip Audiovision S.A., there were two Pioneer Laser Karaoke units on display that featured a company representative crooning away. This company was exhibiting not only karaoke systems but their Laser Juke series as well. Although Pioneer's jukeboxes are seemingly well known and an established part of the market, karaoke is sort of the unknown younger brother. Nevertheless, as with the Karaioka de Diversion y Espertaculos booth, crowds of people gathered around on all three days to take a look and to try their singing voice.

On the top floor of the convention center, Micro-Sistem Planning S.I. had their booth set up. Although we saw a lot of posters advertising SNK's NEO GEO MVS system, there was a sign for "The Karaoke Shop." Micro Sistem Planning as well as is distributing karaoke. Unfortunately, we could not get any information on what kind of karaoke they have, as a representative was not available.



At the JVC booth, CD+G was a hit.



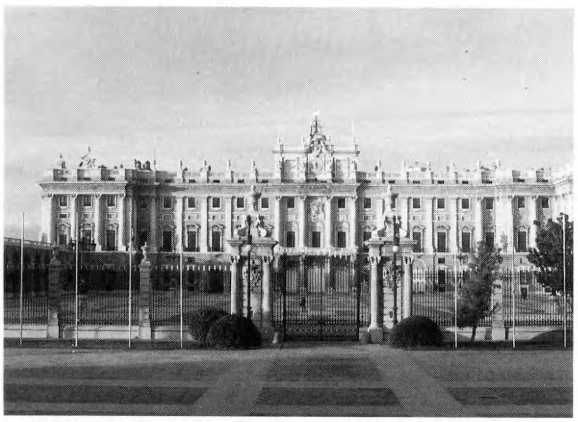
Pioneer Laser Entertainment



Inside Pep's, Barcelona karaoke lounge.

Karaoke As Night Entertainment

Will Karaoke catch on in Spain? Is this the kind of entertainment that can succeed? Most people that we talked to had a positive but short term view for the potential of karaoke. Although it was drawing a lot of attention at the FER, and there are many karaoke locations now staring up throughout the country, this may be partly do to the reason that karaoke is "something new" as one tavern manager put it. At Pep's, a Barcelona location *[See this month's "Karaoke Accents"-Ed.]* the number of customers has increased dramatically thanks in part to the karaoke addition, but as to how long this will last, it is hard to say. The key, as mentioned before, is the development of Spanish language software. If this comes about, then the potential for the market could grow. In a country with a rich musical heritage such as Spain, it is certainly possible that this new musical form will succeed if given time. Certainly the nightlife culture of Spain is conducive to the development of karaoke locations similar to those in Japan and Taiwan, i.e. "nighttime entertainment" complexes. As Spain, as a whole, tends to start its evening festivities rather late, karaoke could appear in the "snack bar" form that it first appeared in Japan. Certainly the Pep's location, with it's lounge-like atmosphere reminded these reporters of many a Japanese "snack bar." It is still too early to judge clearly on whether or not it will succeed, but the initial reaction seems to be positive. ■



The Imperial Palace in Madrid.

SPAIN

- Area: 194,884 sq.mile
- Population: 39 million
- GNP: $398.7 billion
- Chief of State: King Juan Carlos I
- Exchange Rate*: 100 Pesetas = US $1.00

**Exchange rate as of October 1992.*



SPECIAL
INTERVIEW

Mr. Toshikazu Yosumi, General Manager, Disc Dept., AV Sector, Matsushita Electric Industrial Co., Ltd.

This month we pay a visit to the Audio-Video Sector of Matsushita Electric Industrial, whose National/Panasonic brand names have become known throughout the world. As the home karaoke market picks up steam in other countries, Matsushita is poised to take a large share of a lucrative market by introducing a number of multimedia electronic components. Mr. Toshikazu Yosumi recently briefed us on what the company has in store for the future.

A Line Up of New Products

JAM: I'd like to start off by asking you about what Matsushita's Audio-Visual sector is doing vis a vis karaoke.

What kinds of products do you have on the market?

MR. YOSUMI: We began expanding into the overseas (American) karaoke market just this year, actually just last month. Since we have literally just begun overseas operations, I don't know if our products have reached the customers or not. In America, the LX-K700 and the LX—900, as well as the LX-101, are available. These have been available previously as consolidated audio-visual systems, and we introduced

Back Stage



MULTI LASER DISC PLAYER
LX-K700

it to America (as a karaoke unit) in September. Karaoke is the main function of these machines, however. The LX-K700 has been available for a while and is doing quite well. I recently made two trips to America, traveling throughout the country, taking a look at the potential of the karaoke market. During my last trip to America, this past June, I felt that karaoke had great potential among people of Oriental and Latin descent. I also got the feeling that American people were beginning to get the karaoke spirit. When I was in Dallas, I discovered that combining discos and karaoke is becoming something of a trend, the basic form of which resembles a Japanese disco.

As far as karaoke in America is concerned, I think that it will take a bit more time to become popular, but I do think it will catch on eventually. We recently exhibited our equipment at the CES show in Chicago.

JAM: What kinds of promotional strategies do you have lined up?

MR. YOSUMI: One of the main things that we do is to offer a free microphone and disc with each purchase. The free discs are available in a number of languages including Chinese (Cantonese or Mandrin), Malaysian and, of course, English. We therefore can reach a wide customer base. With this offer, customers can enjoy the system the same day that they purchase it. Since we have only just begun sales in the American market, we felt that this was something that we should do. Even if you have great hardware, you need good software as well. We are currently relying on other manufacturers.

In the English language, we have a number of different song genres, but country and western constitutes a large part of our library. In addition to Nikkodo, which is well known in the American market, we have also formed tie-ups with Dai-Ichi Kosho (DK Karaoke). However, in general, software for the Amerian market is still slightly expensive. We, however, have two lower priced hardware units that we think will do quite well. The LX-1500 is a recent release slightly less expensive than the LX-K700 and the LX-K380, our lowest price yet. These are multi-media units that combine a number of functions. This is a form of AV that everyone from young to old can enjoy. In America, home parties are quite common, and after everyone has enjoyed a relaxing meal, they could make time for this kind of entertainment.

A Multi - Functional Machine

JAM: So how does one go about promoting karaoke overseas?

MR. YOSUMI: As a hardware manufacturer, we have to promote our equipment as not just a piece of karaoke equipment, but as a muti-media machine on which you can enjoy karaoke. This would include CDs as well. This is quite different from the way that we can promote it in the Japan market. For example, the LX-K900 is a multi-media player that offers quick access and the potential to play whatever you want.



MULTI LASER DISC PLAYER
LX-101



MULTI LASER DISC PLAYER
LX-900

JAM: We have heard reports that, in the past, the American laser disc market was quite small. How is it doing now? Is it flourshing?

MR. YOSUMI: At the moment it is doing quite well. Only a couple of years ago, it was only something like 2% of the market, but it is doing well now. For example, in 1989, only three years ago, only a total of 162,000 laser discs including those that played not only karaoke but also movies, etc., were sold. In 1990, we sold around 299,000 discs and last year, this figure climbed to around 317,000. We expect that this trend will continue.

JAM: Which sector do you want to put more weight on, audio visual or karaoke?

MR. YOSUMI: We will be putting more emphasis on the AV market in America.

JAM: So you think that karaoke will increase in popularity overseas?

MR. YOSUMI: Yes, it depends on the market, but I do think that possiblity exists.

American karaoke market "will take time"

JAM: If so, then through what outlets will your AV products be sold?

MR. YOSUMI: We'll be selling them through authorized Panasonic dealers which includes electronics stores, specialty shops, etc. In terms of karaoke sales, we will be concentrating primarily on the west coast of America, where we feel sales potential is greatest.

JAM: How many outlets will these products be available at?

MR. YOSUMI: There are a lot of different kinds of shops and stores where we sell our products, so it's hard to get an exact figure, but I would guess around 2,000 throughout America. I should mention, though, that this number is for ALL our audio video products. Karaoke will only be available at a few of them.

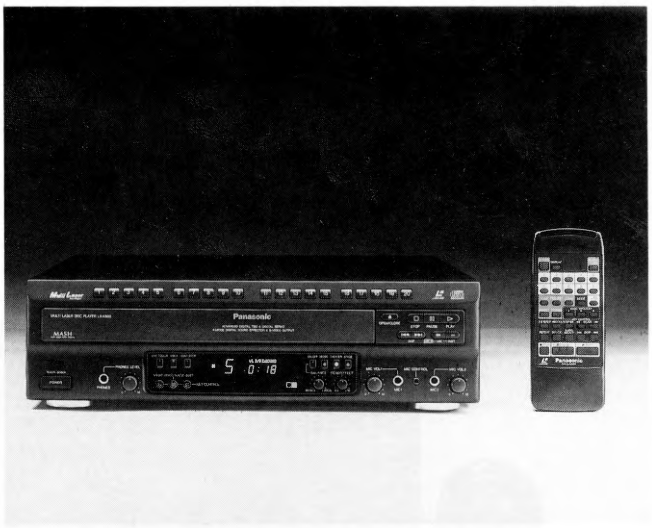
There is another point I'd like to make as well. In Japanese electronics shops, you see the products out of the box, being demonstrated, something that you don't see all that much in America. In the future, we hope to have our own shops all throughout America, and directly manage maybe half of them.

JAM: Do American dealers have a positive attitude about laser disc technology?

MR. YOSUMI: It's different depending on the dealer. Therefore, as I said earlier, the laser karaoke market will take some time to develop. Conditions are better than they were a few years ago, but laser discs still only account for 10% of the market. Software was a problem until recently, when companies like Image Entertainement stepped in to fill the need.

JAM: So then, how long do you think it will take before you can realize your potential in the American market?

MR. YOSUMI: Some people say it will take around five more years, but I think that it's really difficult to say at this point. ■



MULTI LASER DISC PLAYER
LX-K500

SONY Karaoke Hardware Guide

MDP-K15

The Sony Corporation has been a leader in the consumer electronics industry for several decades. Based in Shinagawa-ku, Tokyo, but with offices in many locations around the world, the company has garnered a reputation as being able to accurately gauge local consumer demand for electronics products. This ability has put Sony on the forefront of the personal electronic entertainment

Since the karaoke boom has been under way for quite some time, it has been somewhat of a surprise that some of the larger Japanese home electronics manufacturers haven't gotten into the act sooner. Most of these manufacturers are cautious, so perhaps they've been waiting to see if the popularity of karaoke will actually follow through past the boom years, or if it would just peter out and die.

Well, according to Sony, it seems to be doing quite well. And the debut of the world-renowned company into the international karaoke arena will do much to establish the medium as a permanent entertainment fixture in many parts of the world where Sony products are already widely used.

The first karaoke unit that Sony has decided to debut on the world stage is the nine kilogram MDP-K15, a multi-media programmable laser disc player. The machine has several useful functions that makes it a breeze to operate. For example, there's a headphone unit that allows the singer to practice in a total music environment. Furthermore, there is an "assistant vocal function" which will help the singer along just in case all the words of a song don't come to mind. Additional functions include a "1 song program," a 20 song program capacity, and a Digital Sound Selector (DDS) that can create three different sound effects. The 1 song program feature allows other singers to program the following song from the disc that is being played at that moment, while a singer is still singing. The 20 song program ability lets singers program songs from a variety of discs without stopping to manually pick up and change the discs. The sound effects can be adjusted by the operator to fit either a large hall, small theater or intimate nightclub.

For more information, contact Sony at +81-3-3448-3311 during regular Japanese business hours.

Sony's new MDP-K15 multi-media unit



KARAOKE SOFTWARE

RELEASE LIST

The Karaoke business is now gaining ground in countries all over the world and the introduction of new software is indispensable. However, the amount of software sold up until now has been rather limited. Listed below we offer you a general outline of the types of software that are available.

■KEY■ L=Laser Disk C=CD Graphics V=Video Cassette ① Title ② Number of titles ③ Number of songs per title ④ Total number of songs ⑤ Main sales area ⑥ Purchasing agent ⑦ Special Characteristics

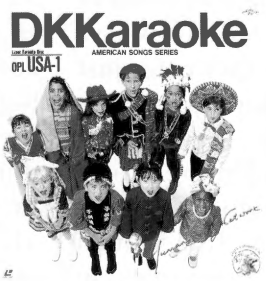
NIKKODO CO., LTD.

① BMB KARAOKE
② L ●LAV series: English-7, Hong-Kong-10, Thai-11, Spanish-1, Philippines(Tagalog)-5, Korean-34, Korean Chapel-1 ●PLD series: Taiwan(Fujianshenges and Peijinsese)-67, Indonesian-10 ●MLD series: Taiwan songs with multi-audio function-10 ●KLD series: China-28 ●ILAV series: Italian-1 ●FLAV series: French-1
C ●SAV series: Korean-43, Philippines(Tagalog)-3, Spanish-3, English-20, Country Music-5, Gospel-1
③ L 28 songs (30 French and Korean chapel songs) C 19 songs
④ L 5,068 songs C 1,425 songs
⑤ U.S.A., Japan, Hong Kong, Korea, Latin America, Singapore, Thailand, Philippines and throughout Asia, Also Spain and other European countries.
⑥ All Nikkodo's subsidiaries, branch offices, and agents
⑦ A large number of popular and standard songs in a multitude of languages make Nikkodo a leader in international software. Attention is paid to the development of high sound and graphic quality.



DAIICHI KOSHO CO.,LTD.

① DK KARAOKE
② L ●OPL series: Korea-32, U.S.A.-12, Taiwan-2, Philippines-2, China-4 ●DKV series: U.S.A-15 ●MAL series: Indonesia-9, Thailand-7, Hong Kong-3, Viet Nam-2, Malaysia-6, Korea-9, U.S.A.-5, Taiwan-9, Philippines-8 C ●MAG series: U.S.A.-5, Indonesia-10, Taiwan-4, Malaysia-6, Thailand-4 ●OPG series: Korea-20 ●DKG series: U.S.A.-53
③ L ●OPL: 30 songs (Taiwan-28) ●DKV: 28 songs ●MAL: 13~30 songs C ●MAG: 12 songs (U.S.A., Taiwan-16) ●OPG: 15 songs ●DKG: 18 songs
④ L 3,520 C 1,638
⑤ North America, Asia, Europe
⑥ Can purchase directly from headquarters, overseas agents or local distributors.
⑦ All songs digitally recorded. Song lyrics are both easy to see and easy to sing. Beautiful, relaxing images add to the songs enjoyment and provide the songs with original images. You can select from a wide variety of your favorite songs.



PIONEER LDCA, INC.

① WKL series
② L Regular selections-34, Special series UK Hits-7, Spanish-1, Country Folk songs-1 and Christmas/Nursery rhymes-1
③ 28 songs
④ 1,232 songs
⑤ U.S.A., Canada, England, and Singapore
⑥ Purchase through those dealers of the company's software including record, instrument, and karaoke specialty shops.
⑦ Systematic karaoke which boasts a high graphic and sound quality and which is made in America. It is characterized by abundant song repertories of everything from old songs to Michael Jackson to Madonna.



JVC (Japan Victor Corp.)

① JVC CDG KARAOKE
② C U.S.A.-60, Taiwan-52, Thailand-20, Indonesia-20, Korea-40, Malasia-6, Japan-40
③ For the American market-10, Other-16
④ About 3,000 songs.
⑤ North America, Taiwan, Thailand, Indonesia, Malaysia, Japan, etc.
⑥ JVC local dealers (Initial sales will be centered on electrical appliance dealers.).
⑦ Low priced CD-G karaoke software. Perfect for pubs, bars, and home parties. In addition song lyrics can be superimposed on a video screen by use of VCR.



TECHNICAL & MODERNITY, INC.

① VOCOMOTION
② L 21 V 5
③ L 28 V 6
④ L 588 V 30
⑤ U.S.A., Canada, England.
⑥ L In America and Canada: Technical & Modernity, Inc. Elsewhere: T & M Co., Ltd.
⑦ Hit songs from the 1950's through the 1980's specially planned and compiled for overseas users. The wide variety of songs, everything from Country & Western music to Rock, adds enjoyment to any party.



Yuma

Osaka-shi; Kita-ku; Sonezaki 2-11-19

Tel: (06)-314-0275



Some of the knick-knacks you'll see on display at Yuma.

In more than a few past issues of JAM, we have reported on several karaoke locations in Umeda, a small, busy district in the northern part of the city of Osaka. Indeed, Umeda is a colorful microcosm of most elements of Japanese society. Virtually everything is here, from high-rise office buildings to bars, from sushi shops where chefs serve raw fish in the traditional manner to McDonald's (three stores in the immediate area), also served traditionally, where you can eat on the run.

Under the one of the many anonymous, covered *shotengai* (shopping street) in the Sonezaki area of Umeda, there is a small, very narrow cream colored building with two stairwells immediately inside the entrance, one leading up, the other, down. Here is the location of Yuma, a karaoke bar of a different color.

Actually, Yuma is on the fourth floor of the building and the only way to get there is by climbing the stairs, as there is no elevator. As you walk up, there is an abandoned *Okonomiyaki* shop, and a small snack bar dedicated to the Hanshin Tigers baseball team (a regional favorite) on the second and third floors. Finally, we get to the door of Yuma, to be greeted by a notice that reads: "This store cooperates with the police." Kind of a heavy message for a karaoke lounge. This past summer, the Japanese government approved a tough new anti-gang law and the National Police Agency has been trying to get local businesses to cooperate with them.

Most snack bars and lounges in this area are made of formica, glass and chrome. Not Yuma. From the very second you walk in and the sweet fragrance of incense hits you, you know you've stumbled on to something that is a little out of the ordinary. Instead of track lighting featuring every color in the rainbow, Yuma relies only on a couple of candles and a two television monitors for illumination, giving the bar a mysterious, almost psychedelic air. It is a small place, barely large enough for two tables and a karaoke set. As few as six people would be crowded here. Additionally, in most bars and snacks in the area, the customer just walks in and sits down either at the bar or at a western style table with chairs. Yuma, though, is a *jutan* bar where customers remove their footwear immediately after they enter, just like is done when entering a Japanese dwelling. As you enter the narrow, one-meter long walkway, only two tables are available to sit in. It is a small place. However, the "tables" in question here are not western tables at all, but rather two *kotatsu*, a low table with a heater attached underneath. The customer sits on the floor and sings from the same spot, seeing as there is no stage or spotlight, or even much room to move around here.

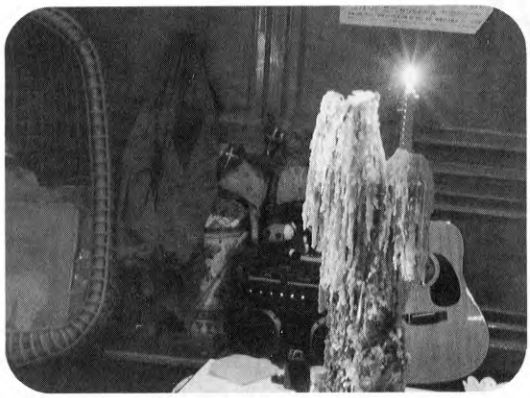
Yuma uses an old manual-change Pioneer LX-V15 laser disc karaoke system, one the first ones made. "It's more than four years old," notes Ms. Kiyoko Shigezane, the manager, with a bit of pride. "Why do people mess with these autochangers? In my opinion, they're useless. I've never scratched a disc changing by hand." Customers watch the songs go by on two large color monitors, one made by National, the other made by Sanyo. Most of the 3,000 plus songs in Yuma's library are *enka*. There are very few pop or rock songs in the house. "That's just not our style," says Ms. Shigezane. There are also other entertainments available at Yuma. In a corner, a guitar waits for customers who want to make their own music.

The bar itself usually opens between four and six p.m., but the hours aren't set. Likewise, closing times are not firm either, but a majority of revellers usually leave to catch the last trains that run around midnight. Most of the customers are young workers or professionals in their 20s to 30s. "They like to come here and just relax after work. My customers are the type who don't want to party so much as unwind after hours," she said. The bar serves the standard fare you would find in any snack bar: mixed nuts, small candies, chips and a variety of alcoholic beverages, but it is less expensive and more open as compared to other clubs in the district. There is no "restricted membership" system and anybody can literally walk in right off the street. After paying the Y4,000 ($32.50) entrance charge, drinks range anywhere from Y500 ($4) to Y2, 500 ($20.32) per glass. A bottle keep at the bar is only Y10,000 ($81.30). In other spots around Umeda and Shinchi, an adjacent area, this won't even get you in the front door. ■

Karaoke In The City



If you didn't know where to go, it would be easy to get lost in Umeda, but to find Yuma, all you have to do is . . .



Candles lend a mysterious air.



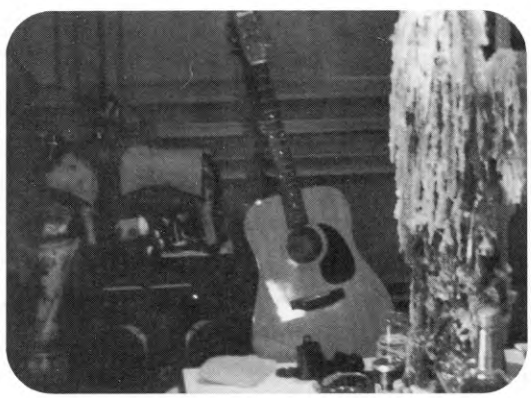
. . . find the sign . . .



All of the karaoke is changed by hand. No autochangers allowed.



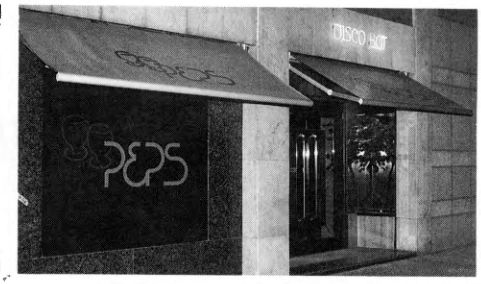
. . .with the horse and go up the stairs.



A guitar is available for those wanting to make their own music.

Peps Disco Bar

Carrer Llansa, 32
08015 Barcelona SPAIN
Telephone: +34-3-426-7688



As most people have probably heard, the Spanish keep late hours. Perhaps its because the temperatures in Spain soar during the summer, or maybe its just something about the night air. Whatever the case may be, the result is that meal times get pushed back. Lunch hovers somewhere around 2:00 p.m., and dinner begins around 9:00 for the tourists, and 10:00 for the natives. This, in turn, means evening entertainments get under way later as well.

The standard operating procedure for the proper Spaniard-about-town (or so we hear) is to finish work by 6:00 or 7:00 and then get together with one's friends at the favored watering hole, preferably one that serves the right *tapas* to suit the mood. Tapas are bar foods like cheeses and sausages; they go well with wine or beer and come in portions to be shared with others. After a round or two of these appetizers, the gang might then head off for a more substantial meal elsewhere, or do some more bar hopping.

Midnight eventually rolls around. The evening is still young (this *is* Spain), and that morning cup of coffee is a long ways off. You're tired of discos, and though you love tapas, there's no room left for another sausage. What to do?

Well, if you're in Barcelona, you have a new option open to you. Located near a park dedicated to the artist Joan Miro, the Peps Disco Bar has just added karaoke to its portfolio. Peps is on Llansa Street, which empties out on its southern end near the Plaza d'Espana. This puts it very close to both the Barcelona Exposition District and a stop on one of the Metro lines, making it a very convenient location.

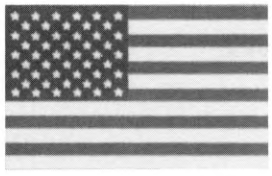
The exterior of the bar is rather plain: simple awnings, a neon sign, and the Peps logo. Entering, you find yourself standing at the bar. The counter zigzags around a pillar, and hovering near the bar you might meet the proprietor, Mr. Antonio Gualda. There is a hall leading off to the back room. Here you find a plush seats for maybe fifty people altogether, and off towards the back is a small stage and the karaoke equipment. Mr. Gualda says he bought the karaoke equipment in early September, and its been busy ever since. Peps uses a Pioneer Laser Vision LD-V200 and a Pioneer Stereo Mixing Amp SA-V210. There is also a cassette deck to provide non-karaoke entertainment. Seven speakers from Pioneer and MacNat provide the sound, while two Pioneer and one Phillips monitor display the images.

The bulk of the 300 or so songs available are in Spanish, with a handful of English numbers to round things out. Mr. Gualda says the favorites are pop standards and local genres such as the *sevillana*. Song selection is handled much as it is in the U.S.: the customer writes his or her name and request down on a slip of paper, and the MC announces them in turn as their time comes up. There is no charge for the karaoke, but the drinks, of course, don't come free. Prices for beer and soft drinks stand at 500 pesetas ($5.00/Y575), while other drinks range higher. There are plenty of tapas and *picares* (munchies) on the menu, with prices running from 300 to 750 pstas. per plate.

Karaoke hours start at 1:00 a.m. and end at 8:00 a.m. every day of the week. "People come by after the other bars and restaurants close," says Mr. Gualda. "In the early hours, we get a lot of people who are in town for conventions over at the Expo halls. After 4:00, it's waiters and waitresses from other establishments coming by after work." Students attending the nearby technical school also provide some of the clientele who come by on the weekends.

"It's been great for business so far," smiled Mr. Gualda. The question, he added, is whether it's going to last. Karaoke is a relative newcomer to the Spanish market, having come to the country only within the past year or so. Mr. Gualda believes it's doing quite well at the moment because of its novelty, which, he noted, is good enough for him. The customers like the addition, and on some weekend evenings he's now pulling in 300 to 400 people. So if you've got the urge to sing after walking Barcelona's streets, drop by Peps, have some food, and wail to your heart's content. ■

KARAOKE WORLD NEWS



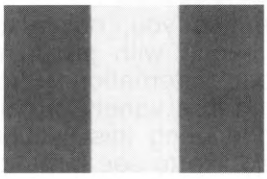
U.S.A.

Image Entertainment To Market LD Software

Image Entertainment, the largest distributor of laser discs in the United States, has announced its intention to market a full line of karaoke LD software as a major focus of its new "Alternative Programming Division." The NASDQ traded company currently has thousands of laser disc titles through exclusive licensing agreements with most major producers, and is expecting an estimated total market share of at least 50% by the end of 1992. "Laser disc technology is perceived as the consumer technology for the 1990's, and Image is ready to satisfy the demand for laser disc programming," says Martin Greenwald, president of Image.

As a focus of their new Alternative Programming Division, the company has developed a whole new series of karaoke sing-along laser discs entitled Vocal Images. Each volume contains 12 different hit songs with full video backgrounds, and all songs are recorded in multiplex, a popular but uncommon feature in the karaoke laser disc market.

In an effort to introduce the benefits of laser disc karaoke to consumer electronics retailers, Image joined up with the KISA to sponsor the Cafe Karaoke section at the Summer CES show. ❑

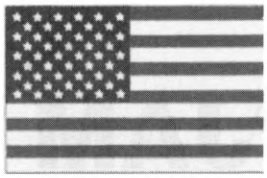


ITALY

Italy Catches Karaoke Bug

At the recent ENADA show, held in Rome, karaoke was exhibited by two different companies to enthusiastic crowds. Having only been recently introduced, the number of Italian language karaoke songs is still rather small, with Nikkodo the most prominent manufacturer of software. On all three days of the show, Italian amusement operators gathered around the karaoke machines and sang their favorite songs. Most people did not seem very shy about performing, and were quite eager to perform.

Karaoke has only recently taken off in Italy, having been introduced, according to one distributor, around a year ago. As with many other European countries, the biggest problem at the moment is lack of software, a situation that will no doubt correct itself if the warm welcome that karaoke received in Rome this year can be sustained. ❑



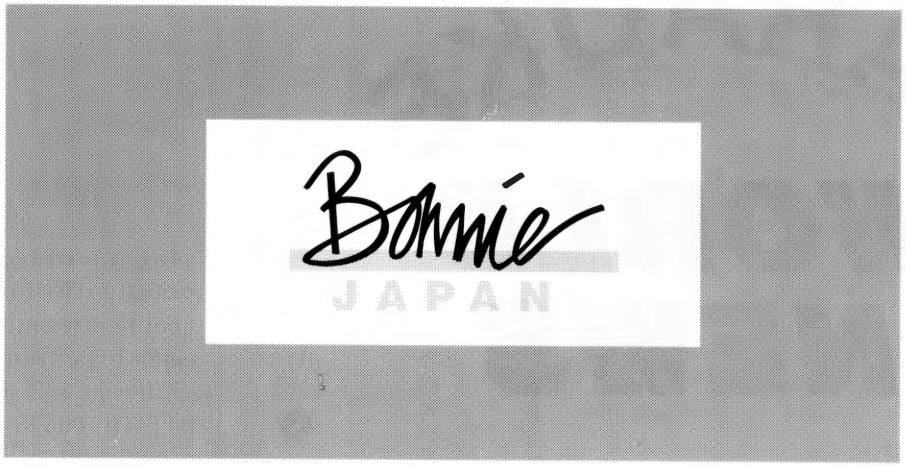
U.S.A.

Clinton's Karaoke Connection

President-elect Bill Clinton is a karaoke aficionado, according to reports coming out of the Japanese media. The November 5, 1992 issue of *The Japan Times* ran a story in which an official with the Arkansas State Office in Japan recalled that during the official visit in 1988, Governor Clinton sang karaoke with Sanyo Electric Co. President Mr. Satoshi Iue until two in the morning at an undisclosed location.

In the same article, Mr. Iue recounted the time when the Arkansas Governor played his saxophone in Osaka. ■

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Japanese	640
Korean	640
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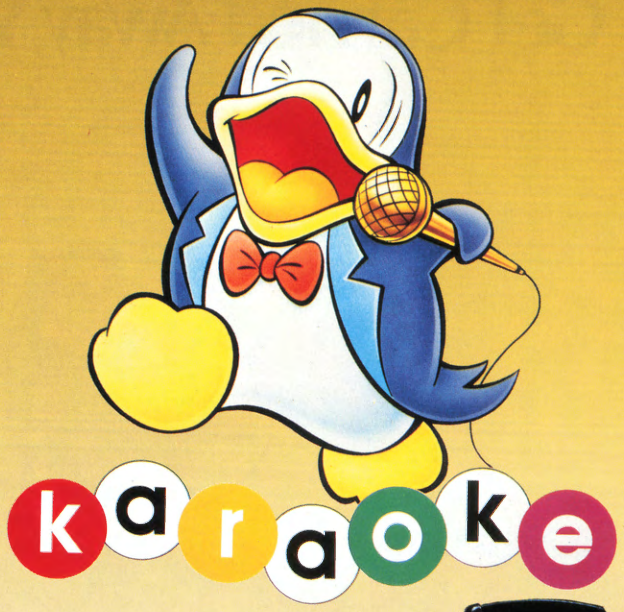
Type of songs :	Number of songs :
Malaysian	96
Hong Kong	80
Vietnamese	32
American	600 (to be available in 1991) 800 (to be available in 1992)

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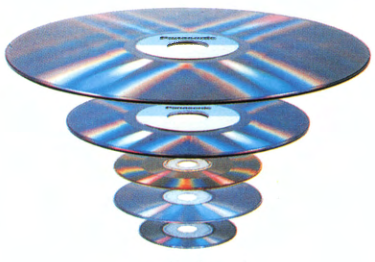
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Lowers the volume on vocals to let you sing along with regular LDs and CDs.

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- Also has standby mode function convenient for DJs, and song repeat button.
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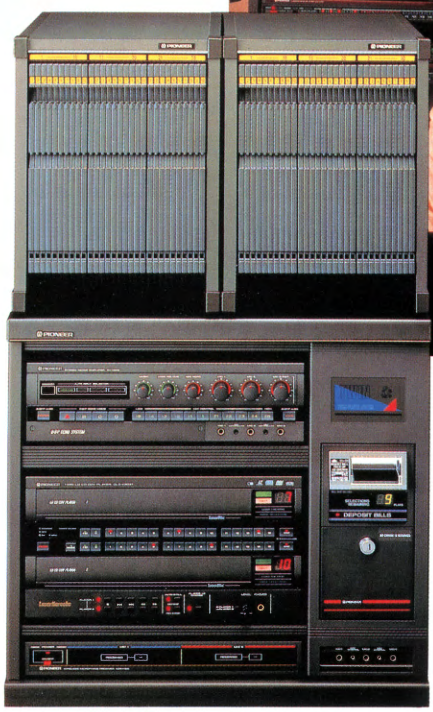
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The Laser Karaoke system

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